

**2020/TDC (CBCS)/ODD/SEM/  
COMGE-501T/354**

**TDC (CBCS) Odd Semester Exam., 2020  
held in March, 2021**

**COMMERCE**

**( 5th Semester )**

**Course No. : COMGE-501T**

**( Principles of Microeconomics )**

Full Marks : 70

Pass Marks : 28

Time : 3 hours

*The figures in the margin indicate full marks  
for the questions*

**SECTION—A**

Answer any *ten* of the following questions :  $2 \times 10 = 20$

1. Distinguish between (a) extension and increase in demand, and (b) contraction and decrease in demand.
2. What is equilibrium price?
3. What do you mean by Giffen goods?

4. Mention any two factors that influence the elasticity of supply for a commodity.
5. Distinguish between cardinal utility and ordinal utility.
6. What is marginal rate of substitution?
7. Define budget line of a consumer.
8. State the necessary and sufficient conditions for consumer equilibrium.
9. What is meant by short run and long run in production theory?
10. Define an isoquant and an isoquant map.
11. What is opportunity cost?
12. Distinguish between fixed cost and variable cost.
13. Write two differences between monopoly and monopolistic competition.
14. Point out two important characteristics of oligopoly market.
15. Define price discrimination.

16. What do you mean by Prisoner's Dilemma?
17. Write two determinants of the demand for a variable input.
18. Why is demand for an input termed as 'derived demand'?
19. Distinguish between differential and scarcity rent.
20. What do you mean by economic rent?

SECTION—B

Answer *any five* questions

21. How is demand defined in economics? Explain the various factors which determine demand for a commodity. 4+6=10
22. What is the coefficient of price elasticity of demand? Discuss the various types of price elasticity of demand. 2+8=10
23. Define indifference curves. What are their standard properties? Discuss. 2+8=10
24. What is price consumption curve? Derive demand curve from price consumption curve. 3+7=10

25. Explain the relationship between marginal cost (MC) and average variable cost (AVC) with the help of diagram. Can there be some fixed cost in the long run? If not, why? 8+2=10
26. Discuss the law of variable proportions with reference to the three stages of production. 10
27. (a) What conditions are necessary for a market to be perfectly competitive?  
(b) Explain with the help of a diagram, how a firm attains equilibrium under perfect competition market in the long period. 4+6=10
28. (a) Distinguish between production cost and selling cost.  
(b) How is price determined under monopolistic competition in the short period? 3+7=10
29. Discuss the marginal productivity theory of factor pricing. 10
30. Critically discuss the Ricardian theory of rent. 10

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