

B. Com. 2nd Semester (Honours) Examinations, 2021
COMMERCE

Course ID: 21214

Course Code: BCOMH/203/GE-2

Course Title: Principles of Microeconomics

Full Marks: 40

Time: 2 Hours

The figures in the margin indicate full marks

Candidates are required to give their answer in their own words as far as practicable

1. Answer *any five* of the following questions: 2x5 = 10

- a) Distinguish between Cardinal and Ordinal utility.
- b) Write down the condition for equilibrium under multiplant monopoly.
- c) Distinguish between fixed cost and variable cost.
- d) Define Isoquant
- e) What do you understand by price discrimination?
- f) State any two determinants of supply.
- g) Define oligopoly with a suitable example.
- h) What is price elasticity of demand?

2. Answer *any four* of the following questions: 5x4 = 20

- a) Define Indifference curve. Discuss the properties of Indifference curve.
- b) What is the shape of average fixed cost (AFC) curve? Discuss the relation between AC curve and MC curve.
- c) What is the distinction between elastic and inelastic demand? Give an example of elastic good.
- d) Explain the properties of a Monopoly market.
- e) What is meant by price consumption curve (PCC) ? What is the relation between substitution effect and income effect in case of inferior and giffen goods?
- f) What are the assumptions of a perfectly competitive market? Explain how long run equilibrium is reached in this type of market?

3. Answer *any one* of the following questions:

10×1=10

- a)** Define production function. Discuss the law of variable proportion in production.
- b)** What is demand? Discuss the determinants of individual demand and market demand.

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