

**KATWA COLLEGE**  
**1<sup>st</sup> SEMESTER HONOURS COURSE**  
**INTERNAL ASSESSMENT EXAMINATION - 2021**

**DEPARTMENT: ECONOMICS**

**SUBJECT: Introductory Microeconomics**

**COURSE CODE: CC1**

**FULL MARKS – 10**

**TIME: 11.00 A.M – 12.00 NOON**

**DATE: 01.03.2021**

Answer any five (5) questions

(5\*2=10)

1. Define Income elasticity of demand.
2. What is Marginal Rate of Substitution? Why is it diminishing?
3. What are the characteristics of an Indifference Curve (IC)?
4. Describe the shapes of IC for perfect substitute and perfect complementary goods.
5. How the budget line will change following the a) income in consumer's income and b) change in price of one commodity in a two-commodity world?
6. What do you mean by Engel curve?
7. What is cost-minimizing equilibrium condition for the producer?
8. What do you mean by Expansion path?
9. Diagrammatically show different shapes of cost curves: Total Cost (TC), Total Variable Cost (TVC), Total Fixed Cost (TFC), Average Total Cost (ATC), Average Variable Cost (AVC), Average Fixed Cost (AFC) and Marginal Cost (MC) Curves
10. What are the main properties of Perfectly Competitive Market?

**Answer-script should be mailed to: [economicskcd@gmail.com](mailto:economicskcd@gmail.com)**