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BTPC–018

INTEGRATED TEACHER EDUCATION PROGRAMME (ITEP) (BCOMBED/BABED)

Term-End Examination

June, 2026

BTPC-018 : INTRODUCTORY MICROECONOMICS

Time : 3 Hours *Maximum Marks : 100*

Note : *Attempt any* ***five*** *questions. Each question carries 20 marks.*

1. With the help of a diagram, explain why a perfectly competitive firm may continue production despite incurring losses in the short run.
2. How is monopolistic market form different from perfect competition ? In this context, explain the concept of excess capacity with the help of a diagram.

3. Use Iso-quant and Iso-cost curves to explain how a producer maximizes output for a given cost.
4. Critically evaluate the cardinal utility analysis of consumer behaviour.
5. Explain the concept of Production Possibility Curve. Enumerate its assumptions. Illustrate it with the help of an example.
6. Explain the three stages of production. Why should a rational producer under competitive conditions produce in stage II ?
7. (a) Explain the relation between the Average Cost and the Marginal Cost.

   (b) "Long-run Average Cost Curve (LAC) 'envelopes' the Short-run Average Total Cost (SATC) curves. Explain.

8. Explain the law of demand with the help of a demand schedule and a demand curve. What are the main determinants of demand for a commodity in the market ?

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