

Page = 7



HAJEE MOHAMMAD DANESH SCIENCE AND TECHNOLOGY UNIVERSITY, DINAJPUR

B.Sc. in CSE, Level -3 Semester- I (January – June, 2017)

Course Code: ECN 303 Course Title: Economics

Credit Hours: 02

Full Marks: 60

Time: 02 Hours

The figures in the right margin indicate the marks for respective questions. Different parts of a question, if any, should be answered sequentially.

SECTION A

Answer any three of the following questions

1. a. State and explain the law of demand. 3.0
b. Prove that total utility of a commodity is maximum only when its marginal utility is zero. 7.0
Illustrate your answer with the help of a diagram.
2. a. State and explain a budget line. 3.0
b. Explain with the help of indifference curves how a consumer allocates his income in order to attain equilibrium. 7.0
3. a. Define marginal propensity to consume (MPC). What is the relationship between MPC and multiplier? 3.0
b. Presume that in two sector economy, the income is Tk.1000 million while the MPC is 0.40. 7.0
Suppose the government wants to increase the income to Tk.1600 million, by an amount of Tk.600 million. By how much should the autonomous investment be increased?
4. a. Define inflation. 3.0
b. Explain demand-pull and cost-push inflation with suitable graph. 7.0

SECTION B

Answer any three of the following questions

1. a. What is an indifference map? 3.0
b. Explain why a consumer's indifference curves (i) have negative slopes and (ii) do not intersect each other. 7.0
2. a. Define price elasticity of demand. What are the factors that affect elasticity of demand? 3.0
b. Graphically show the five degrees of price elasticity of supply. 7.0
3. a. What are assumptions of cardinal utility analysis? 3.0
b. Explain the law of equi-marginal utility with suitable diagram. 7.0
4. a. What is national income? 3.0
b. Explain the value added method of computing national income with an example. 7.0