

International Islamic University Chittagong
Department of English Language & Literature
BA (Honours)

Final Examination Spring-2018
Course Code: ECON-3501 Course Title: Principles of Economics
Time: 2.30 hours Full Marks: 50

Figures in the right margin indicate full marks.
Answer any **Five** of the following questions.
All parts of a question must be answered sequentially.

1. (a) What is Utils, Saturation point & Disutility? Graphically illustrate the law of marginal utility. (1.5+3.5)
- (b) What is the main theme of the law of equi-marginal utility? How does a consumer attain his equilibrium with indifference curve & budget line? (2+3)
2. Define the term "Market". Interpret the short run equilibrium of perfect competition of a firm. 10
3. What is National income? Show the circular flow of National income. 3+7
4. (a) What do you think about Islamic Banking? "How Islamic Banking will be different from Conventional Banking"- Clarify? (1+4)
- (b) Analyze the investment policy of Islamic Banks following "Bai Modes". (05)
5. What is Average cost (AC) and Marginal cost (MC)? Show the relationship between average cost and marginal cost with diagram. 4+6
6. What is Iso-cost curve? How does a producer attain his equilibrium with iso-cost curve and iso-quant curve? 3+7
7. Short Notes: (Any two) (2x5=10)
 - (i) Mudarabah Vs Musharakah
 - (ii) Law of Return to Scale
 - (iii) Monopoly Equilibrium
 - (iv) GDP Vs GNP