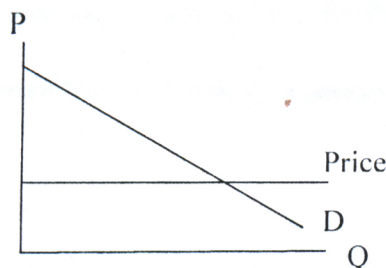


National Academy for Planning and Development
Post Graduate Diploma in Development Planning (22nd batch)
1st Module: Basic Economics

Full Marks: 100
Time : 2 hrs.

Answer any 6 (six) questions from the following including Question No.12.
Each question carries equal marks except question No. 12)

1. Explain the theory of demand. 16
2. Show consumer surplus from the following diagram 16



3. Explain the three methods of calculation of National Income. 16
4. What are the reasons for market failure? 16
5. Explain the relationship between unemployment and inflation. 16
6. Why International Trade Takes Place? Do you think Absolute Advantage & comparative Advantage explain International Trade? 16
7. What is monopoly? Write down the characteristics of a monopoly market. What are the characteristics of monopolistic competition? 16
8. What is GNP? What are basic differences between GDP and GNP? 16
9. What do you mean by Balance of Trade and Balance of Payment? What are the different accounts we have under Balance of Payment. Explain it, in brief. 16
10. What do you mean by Exchange Rate? How Exchange Rate is determined in a market economy? How Exchange Rate makes some implications for a country like Bangladesh? 16
11. What instruments of Monetary Policy does the Central Bank have at its disposal? What is the impact of an expansionary fiscal policy on the economy? 16
12. Explain the following concepts (any four) : 20
 - a. Average Fixed Cost (AFC)
 - b. Average Variable Cost (AVC)
 - c. Marginal Cost (MC)
 - d. Marginal Revenue (MR)
 - e. Total Revenue (TR)
 - f. Theory of distribution