

2017

(2nd Semester)

ECONOMICS

Paper No. : Eco-201

(**Microeconomics—II**)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(*Marks : 45*)

*The figures in the margin indicate full marks
for the questions*

1. What is a monopoly market? Explain the short-run equilibrium of a firm under monopoly. 2+7=9

Or

Explain the features of various forms of market under imperfect competition. 9

(2)

2. What is supernormal profit? How do you obtain the equilibrium of the individual firm in the short run under monopolistic competition? 2+7=9

Or

Distinguish between production cost and selling cost. Explain the firm equilibrium under selling cost. 4+5=9

3. Discuss the important features of an oligopoly market giving suitable examples. 9

Or

Explain price rigidity under oligopoly. 9

4. Discuss the Ricardian theory of rent. 9

Or

Explain the modern theory of wages. 9

5. Explain the risk bearing theory of profit. 9

Or

Explain the neoclassical theory of interest. 9

Subject Code : Ba/Eco-201

Booklet No. **A** 3035

12 APR 2017

Date Stamp

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BA / BSc / BCom / BBA / BCA
2nd Semester End Term
Examination, 2017

Subject

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DESCRIPTIVE TYPE

Booklet No. B

INSTRUCTIONS TO CANDIDATES

1. The Booklet No. of this script should be quoted in the answer script meant for descriptive type questions and vice versa.
2. This paper should be **ANSWERED FIRST** and submitted within 1 (one) Hour of the commencement of the Examination.
3. While answering the questions of this booklet, any cutting, erasing, overwriting or furnishing more than one answer is prohibited. Any rough work, if required, should be done only on the main Answer Book. Instructions given in each question should be followed for answering that question only.

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Scrutiniser(s)

Signature of
Examiner(s)

Signature of
Invigilator(s)

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2017

(2nd Semester)

ECONOMICS

Paper No. : Eco-201

(**Microeconomics—II**)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—I

(Marks : 15)

A. Tick the correct answer in the box provided :

1×10=10

1. Price discrimination is not possible under which form of market?

(a) Perfect competition

(b) Monopolistic competition

(c) Monopoly

(d) Oligopoly

2. Perfect competition is said to exist, if
- (a) the nature of the product is not homogeneous
 - (b) each firm is a price-taker
 - (c) the industry consists of a small number of firms
 - (d) there is no freedom to entry and exit
3. Under monopolistic competition, the products are
- (a) homogeneous
 - (b) identical
 - (c) close substitutes to each other
 - (d) supplementary to each other
4. In the long run, a monopolistic firm can earn/incur
- (a) supernormal profit
 - (b) normal profit
 - (c) loss
 - (d) None of the above

5. The earliest model of oligopoly was developed by

(a) Paul M. Sweezy

(b) Hall and Hictch

(c) Augustin Caurnot

(d) J. B. Say

6. The simplest form of oligopoly market is

(a) monopoly

(b) monopsony

(c) duopoly

(d) closed oligopoly

7. The only factor of production which can earn 'negative return' is

(a) land

(b) labour

(c) capital

(d) entrepreneur

8. The concept of 'quasi-rent' was introduced by

(a) Adam Smith

(b) Alfred Marshall

(c) J. Schumpeter

(d) F. B. Hawley

9. According to whose theory, 'interest is rewarded for parting with liquidity'?

(a) J. S. Mill

(b) F. Walker

(c) J. M. Keynes

(d) A. Marshall

10. Innovation theory of profit is associated with

(a) J. Schumpeter

(b) J. S. Mill

(c) F. Walker

(d) Knight

B. Indicate whether the following statements are True (T) or False (F) by a Tick (✓) mark : 1×5=5

1. Price discrimination is always possible under perfect competition.

(T / F)

2. There is no noticeable effects of selling cost under monopolistic competition.

(T / F)

3. Syndicate is a form of collusive oligopoly.

(T / F)

4. Quasi-rent is an earning only in the short run.

(T / F)

5. According to Hawley, lower is the risk, higher is the profit.

(T / F)

(6)

SECTION—II

(Marks : 10)

C. Write short notes on any *five* of the following : $2 \times 5 = 10$

1. Monopoly power

2. Features of monopolistic competition

3. Collective bargaining of labour union

4. Scarcity rent

5. Insurable risks

6. Profit as a reward for innovation

7. Marginal physical product (MPP)
