2018

(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 market? Explain the long-run equilibrium of a firm under perfect competition.   2+7

Or

What do you mean by price discrimination? Explain the cases when price discrimination is possible.   2+7

2. Derive the group equilibrium in the long-run under monopolistic competition according to Chamberlin's approach.   9

Or

What is monopolistic competition? Bring out the salient features of monopolistic competition.   2+7

3. Discuss the main features of oligopolistic competition. Why does price tend to be rigid under oligopoly?   5+4

Or

Explain Cournot's model of duopoly.   9

4. What do you mean by wage differentials? Discuss the factors which cause wage differentials.   2+7

Or

Explain the modern theory of rent.   9

5. What is profit? Explain the innovation theory of profit.   2+7

Or

Explain the classical theory of interest.   9

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8L—3300/371a   Ba/Eco–201

Subject Code : Ba/Eco–201

Booklet No. **A** 2964

Date Stamp ....

To be filled in by the Candidate

BA / BSc / BCom / BBA / BCA 2nd Semester End Term Examination, **2018**

Subject ....

Paper ....

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 <u>1 (one) Hour</u> of the commencement of the Examination.

3. While answering the questions of this booklet, any cutting, erasing, over-writing 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.

To be filled in by the Candidate

BA / BSc / BCom / BBA / BCA

2nd Semester End Term Examination, **2018**

Roll No. ....

Regn. No. ....

Subject ....

Paper ....

DESCRIPTIVE TYPE

Booklet No. B ....

Signature of Scrutiniser(s)

Signature of Examiner(s)

Signature of Invigilator(s)

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(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. Imperfect competition markets comprise of

    (a) monopolistic competition ☐

    (b) oligopoly ☐

    (c) Both *(a)* and *(b)* ☐

    (d) Neither *(a)* nor *(b)* ☐

2. 'Take it or leave it' is price discrimination of which degree?

   (a) First degree ☐

   (b) Second degree ☐

   (c) Third degree ☐

   (d) Fourth degree ☐

3. Monopolistic competition is characterized by

   (a) many firms selling homogeneous products ☐

   (b) a few firms selling homogeneous products ☐

   (c) many firms selling differentiated products ☐

   (d) few firms selling differentiated products ☐

4. The demand curve under monopolistic competition is

   (a) upward sloping ☐

   (b) horizontal ☐

   (c) downward sloping ☐

   (d) vertical ☐

5. There is great importance of selling/advertising costs under

    (a) perfect competition   ☐

    (b) monopolistic competition   ☐

    (c) oligopoly   ☐

    (d) monopoly   ☐

6. In a barometric price leadership, which of the following is the price leader?

    (a) Dominant firm   ☐

    (b) Low-cost firm   ☐

    (c) The most aggressive firm   ☐

    (d) Old/experienced firm   ☐

7. Which of the following is a 'residual factor income'?

    (a) Profit   ☐

    (b) Wage   ☐

    (c) Rent   ☐

    (d) Interest   ☐

8. "Land can be used to grow only corn." This is according to whom?

   (a) Adam Smith ☐

   (b) David Ricardo ☐

   (c) J. S. Mill ☐

   (d) Nasau Senior ☐

9. "Interest is paid because of time preference." This is associated with

   (a) Nasau Senior ☐

   (b) J. R. Hicks ☐

   (c) J. B. Clark ☐

   (d) Irving Fisher ☐

10. 'Uncertainty theory of profit' was given by

   (a) F. B. Hawley ☐

   (b) F. H. Knight ☐

   (c) A. C. Pigou ☐

   (d) J. R. Hicks ☐

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

1. An individual buyer/seller can influence price in the market under perfect competition.

(T / F)

2. The first condition for a firm to be in equilibrium under monopolistic competition is MR = MC.

(T / F)

3. Augustine Cournot gave the first model of oligopoly.

(T / F)

4. Quasi-rent is a phenomenon only in the short-run.

(T / F)

5. Profit is a 'contractual earning'.

(T / F)

SECTION—II

(*Marks* : 10)

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

1.   Monopoly control

2. Product differentiation

3. Monopsony

4. Cartel

5. Differential rent

6. Profits as reward for risk bearing

7. Excess capacity of firm

★★★