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B.A. (CBCS) DEGREE EXAMINATION,
APRIL 2024.

Second Semester

Economics — Core

MICRO ECONOMICS — II

(For those who joined in July 2023 onwards)

me : Three hours   Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer.

Under perfect competition, there will be ____________

(a) large number of buyers and sellers

(b) few buyers and few sellers

(c) few buyers and many sellers

(d) many buyers and few sellers

The price prevailing in the very short period is known as ______

(a) equilibrium price (b) economic price

(c) supply price (d) market price

In monopoly, there will be ______ producers.

(a) two (b) three

(c) few (d) one

Discrimination of prices based on the ability to pay of the buyers is called as ______ discrimination.

(a) age (b) personal

(c) place (d) trade

In the long run, a firm under monopolistic competition

(a) earns supernormal profit

(b) incurs loss

(c) earns normal profit

(d) anyone of these in possible

Price leadership can be undertaken by a ______ cost firm.

(a) low (b) high

(c) average (d) marginal

7. The term distribution in economics refers to ________ distribution.

(a) personal

(b) functional

(c) personal and functional

(d) none of these

8. In equilibrium, the price of a factor must equal its ________ productivity.

(a) average revenue (b) marginal revenue

(c) total revenue (d) both (a) and (b)

9. Adam Smith considered the growth of ________ as a welfare criteria.

(a) per capita income

(b) net national product

(c) net domestic product

(d) gross national product

10. Externalities can be considered as unpriced goods involved in ________ market transaction.

(a) consumer

(b) producer

(c) either consumer or producer

(d) none of these

PART B — (5 × 5 = 25 marks)

Answer ALL questions choosing either (a) or (b).

Each answer should not exceed 250 words.

(a) Explain the long run equilibrium of a firm in perfect competition.

Or

(b) Point out the importance of time element in price theory.

(a) Elaborate the nature of demand under monopoly.

Or

(b) Write a short note on the second degree price discrimination.

(a) Briefly explain the concept of excess capacity.

Or

(b) How does a cartel maximum joint profits?

(a) Write a note on personal distribution and functional distribution.

Or

(b) List the assumptions of marginal productivity theory of distribution.

(a) What is meant by externalities?

Or

(b) Mention the static properties of production.

PART C — $(5 \times 8 = 40$ marks)

Answer ALL questions choosing either (a) or (b).

Each answer should not exceed 600 words.

(a) Describe the feature of perfect competition.

Or

(b) Discuss the short run equilibrium of the industry under perfect competition.

(a) Analyse the price-output equilibrium under monopoly.

Or

(b) What policies can be implemented to control monopoly?

(a) Narrate the role of product differentiation under monopolistic competition.

Or

(b) Explain the pricing decision of firms in an oligopoly market.

(a) Critically explain Euler's product exhaustion theorem.

Or

(b) Write short notes on the concept of marginal revenue product and the concept of value of marginal product.

(a) Discuss the Walrasian general equilibrium model.

Or

(b) Analyze the market failure.
