2022

(2nd Semester)

ECONOMICS

Paper : ECO–201

(Microeconomics—II)

(New Course)

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. *(a)* Explain how a firm can attain equilibrium under perfect competition. 9

Or

(b) What is a monopoly market? Discuss how can monopoly be controlled and regulated. 2+7=9

2. *(a)* Discuss the Chamberlin's approach to monopolistic competition. 9

Or

(b) Explain how an individual firm attains equilibrium under monopolistic competition.

3. *(a)* Discuss the characteristics of oligopoly market. 9

Or

(b) Critically examine Edgeworth's model of oligopoly market.

4. *(a)* Examine how collective bargaining determines the wage rate. 9

Or

(b) Discuss the Ricardian theory of rent.

5. *(a)* What is net interest? Discuss the Knight's uncertainty theory of interest. 2+7=9

Or

(b) Discuss the Clarke's dynamic theory of profit. 9

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(2nd Semester)

ECONOMICS

Paper : ECO–201

(Microeconomics—II)

(New Course)

(PART : A—OBJECTIVE)

(*Marks* : 25)

The figures in the margin indicate full marks for the questions

SECTION—I

(*Marks* : 15)

1. Put a Tick (✓) mark against the correct answer in the brackets provided :

1×10=10

(a) A firm under perfect competition attains equilibrium when MC curve cuts MR curve from

(i) right ( )

(ii) left ( )

(iii) below ( )

(iv) above ( )

(b) In monopoly market situation

(i) the products have no close substitutes ( )

(ii) the products are homogeneous ( )

(iii) seller is price-taker ( )

(iv) buyer controls supply ( )

(c) Market price of a commodity is determined by

(i) supply ( )

(ii) demand ( )

(iii) size of the market ( )

(iv) cost of production ( )

(d) Under monopolistic competition, the entry of firm is

(i) limited ( )

(ii) blocked ( )

(iii) easy ( )

(iv) None of the above ( )

(e) The key feature of oligopoly is

(i) high profit ( )

(ii) product differentiation ( )

(iii) one seller ( )

(iv) inter-dependence of firms ( )

(f) Each seller assumes his/her rival's output as being constant under

(i) Edgeworth's non-collusive model ( )

(ii) Cournot's duopoly model ( )

(iii) Sweezy's kinked demand model ( )

(iv) None of the above ( )

(g) According to Ricardo, rent occurs due to

(i) law of increasing returns ( )

(ii) law of diminishing returns ( )

(iii) law of constant returns ( )

(iv) All of the above ( )

(h) According to modern theory, rent arises on account of

(i) land only ( )

(ii) labour only ( )

(iii) capital only ( )

(iv) All of the above ( )

(i) The classical theory explained interest as a reward for

(i) parting with liquidity ( )

(ii) abstinence ( )

(iii) use of capital ( )

(iv) inconvenience ( )

(j) Dynamic theory of profit was propounded by

(i) Clarke ( )

(ii) Hawley ( )

(iii) Schumpeter ( )

(iv) None of them ( )

2. State whether the following statements are *True* or *False* by putting a Tick (✓) mark in the brackets provided : 1×5=5

(a) A monopoly can fix price and output simultaneously to maximize his profit.

True ( ) / *False* ( )

(b) Product differentiation is the cornerstone of monopolistic competition.

True ( ) / *False* ( )

(c) Cournot's duopoly model explained with kinked demand curve.

True ( ) / *False* ( )

(d) Ricardo assumes that rent arises due to scarcity.

True ( ) / *False* ( )

(e) Hawley propounded risk theory of profit.

True ( ) / *False* ( )

SECTION—II

(*Marks* : 10)

3. Write short notes on any *five* of the following : 2×5=10

(a) Price discrimination

(b) Selling cost

(c) Features of oligopoly

(d) Cartel

(e) Differential rent

(f) Insurable risks

(*g*) Innovation theory of profit

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