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(FYUGP)

(4th Semester)

ECONOMICS

(Minor)

Paper Code : EC4.M4

(Intermediate Microeconomics—II)

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 50)

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

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. Define wage. Discuss the marginal productivity theory of wages. 2+8=10
2. Explain differential rent with the help of diagram. 10

UNIT—II

3. Critically examine the innovation theory of profits. 10
4. What is profit? Discuss Hawley's risk-bearing theory of profit. 2+8=10

UNIT—III

5. Discuss the criterion of measuring social welfare. 10
6. Explain the concept of welfare economics. Discuss the scope of welfare economics. 4+6=10

UNIT—IV

7. Define monopoly. Explain the features of monopoly market. 2+8=10
8. Critically examine the Cournot model of duopoly. 10

UNIT—V

9. What do you mean by market failure? Discuss its causes. 3+7=10
10. Critically examine the problems inherent in the consumption of public goods. 10

2024

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ECONOMICS

(Minor)

Paper Code : EC4.M4

(**Intermediate Microeconomics—II**)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

1. Choose the correct answer and put a Tick (✓) mark against the brackets provided : 1×15=15

(a) According to Ricardian theory, differential rent arises due to

- (i) different quality of land ()
- (ii) choice of the farmers ()
- (iii) variation in income of the farmers ()
- (iv) difference in taste and preference ()

(b) Modern theory of wages determines wage rate on the

(i) choice of the employers ()

(ii) demand and supply principle ()

(iii) basis of employer's income ()

(iv) principle of worker's satisfaction ()

(c) What is the difference in wages called?

(i) Variety of wages ()

(ii) Wage discrimination ()

(iii) Worker's ignorance ()

(iv) Wage differential ()

(d) The dynamic theory of profit is propounded by

(i) David Ricardo ()

(ii) Adam Smith ()

(iii) J. B. Clark ()

(iv) Schumpeter ()

(e) "Rent is the difference between least and most fertile land, similarly profit is the difference between earnings of the least and most efficient entrepreneurs." Who said this?

(i) Hawley ()

(ii) Walker ()

(iii) Kaldor ()

(iv) Hawtrey ()

(f) "Profit is the reward of risk taking in a business." Who said this?

(i) J. M. Keynes ()

(ii) J. B. Clark ()

(iii) F. B. Hawley ()

(iv) J. A. Schumpeter ()

(g) Acts of coercion aimed at improving the welfare of targeted individuals is called

(i) cardinalist view ()

(ii) Pareto's optimality ()

(iii) Bentham's theorem ()

(iv) paternalist argument ()

(h) Cardinalist criterion of welfare assumes all individuals

(i) have identical utility functions for money ()

(ii) have different utility functions for money ()

(iii) have measurable utility functions for money ()

(iv) measure utility only in terms of money ()

(i) Price discrimination can be checked in

(i) monopoly market ()

(ii) monopolistic competition market ()

(iii) oligopoly market ()

(iv) perfect competition market ()

(j) Demand curve that is not linear but has different degrees of elasticity at different price levels is called

(i) Cournot's duopoly ()

(ii) Sweezy's kinked demand curve ()

(iii) monopolistic market ()

(iv) Chamberlin's oligopoly ()

(k) The market with interdependence, product differentiation, high barriers to entry, uncertainty and price setters is called

(i) oligopoly market ()

(ii) monopolistic competition market ()

(iii) monopoly market ()

(iv) perfect competition market ()

(l) The greatest happiness for the greatest number is

(i) paternalist concept of welfare ()

(ii) Pareto's optimality concept of welfare ()

(iii) Bentham's concept of welfare ()

(iv) cardinalist view of welfare ()

(m) An externality is a cost or benefit that is caused by one party

(i) financially incurred or received by another party ()

(ii) financially incurred or received by the same party ()

(iii) No cost or benefit on the third party ()

(iv) cost and benefit are equally shared ()

(n) Coase theorem suggests that problems related to externalities can be solved

(i) if one party has upper hand in decision-making ()

(ii) if both parties are willing to bargain with each other ()

(iii) if both parties stayed away from each other ()

(iv) if third party is involved in solving externality ()

(o) Anything that causes an indirect cost to individual is

(i) positive externality ()

(ii) negative externality ()

(iii) positive consumption ()

(iv) negative consumption ()

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

(a) Quasi-rent

(b) Scarcity rent

(c) Dynamic concept of profit

(d) Pareto's optimality

(e) Value judgement

① Oligopoly

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(g) Moral hazards

(h) Public goods
