2025

(7th Semester)

ECONOMICS

Course No. : EC7.CC16

(Advanced Microeconomics)

Full Marks : 75 | *Time* : 3 hours

The figures in the margin indicate full marks for the questions

Answer the following questions

1. a) Describe the Stackelberg duopoly model . Why is the ***naíve follower*** assumption unrealistic? **10+5**

Or

b) Explain and compare Monopsony and Discriminating Monopsony. What conditions are necessary to practice discriminating monopsony? **10+5**

2. a) . Critically examine Hall and Hitch's full-cost pricing principle. **15**

Or

b) Discuss Baumol's sales revenue maximisation model and its implications for managerial decision making. **10+5**

(Turn Over)

3. a) Critically evaluate the product exhaustion theorem given by Euler. What are its limitations? 10+5

Or

b) Explain Ricardo's theory of distribution and compare it with Marx's theory of surplus value. 10+5

4. a) Explain the concept of Pigovian welfare economics and discuss how it addresses market failures. 10+5

Or

b) Describe Rawl's idea of social justice in detail. 15

5. Critically analyse the Walrasian approach to general equilibrium. 15

Or

b) Explain the application of Linear Programming techniques in solving general equilibrium problems. Highlight the advantages and limitations. 10+5

★ ★ ★