

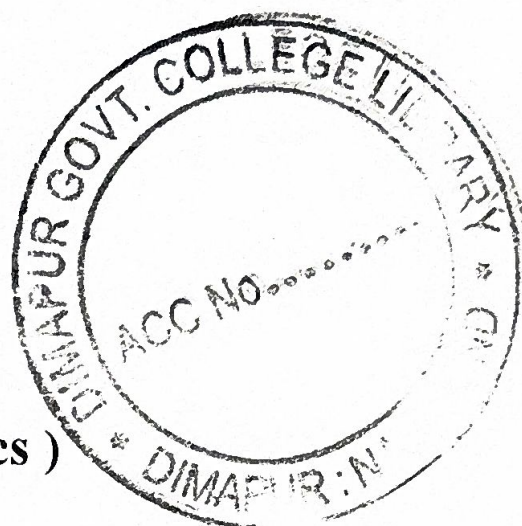
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(7th Semester)

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 *naïve 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)

(2)

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

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