

Name.....

Reg. No.....

**SECOND SEMESTER B.A. DEGREE EXAMINATION, JUNE 2016**  
**(CUCBCSS – UG)**  
 (Core Course: Economics)  
**CC15U ECO2 B02 – Micro Economics - II**  
 (2015 Admission)

**Time: Three Hours**

**Maximum: 80 Marks**

**Section A - Objective Type Questions**  
 Answer **all twelve** questions (12 x ½ = 6 marks)

**Multiple Choice:**

1. In perfect competition, the demand curve for the product of an individual firm is:  
 a. vertical      b. horizontal      c. downward sloping      d. upward sloping
2. Which of the following is a rectangular hyperbola?  
 a. AC      b. MC      c. AVC      d. AFC
3. Price leadership can be seen in:  
 a. monopoly      b. oligopoly      c. duopoly      d. perfect competition
4. .... is characterized by the absence of market power.  
 a. Oligopoly      b. Monopoly      c. Perfect competition      d. Monopsony
5. Ideal output is that level of output associated with the minimum point of:  
 a. LAC      b. LMC      c. AVC      d. AFC
6. The upper portion of the kinked demand curve is relatively:  
 a. less elastic      b. more elastic      c. inelastic      d. more inelastic

**Fill in the Blanks:**

7. .... of any good is the value of the next best alternative foregone.
8. The market in which the producer has market power is .....
9. The selling cost curve is ..... shaped.
10. The demand for commodities is ..... demand.
11. A market with a single buyer is .....
12. Dumping is practiced only in ..... markets.

**Section B - Very Short Answer Type Questions**

Answer **any ten** questions not exceeding one paragraph (**10 x 2 = 20 marks**)

13. Explain the sources of monopoly.
14. Enumerate the characteristics of perfect competition.
15. Differentiate between explicit cost and implicit cost with one example each.
16. Explain shut down point.
17. Write two differences between short run and long run.
18. Distinguish between Tying and Bundling.
19. What is excess capacity?
20. Explain price leadership.
21. What is cartel?
22. Why is oligopoly price rigid?
23. Explain the price elasticity of demand for an input.
24. What is monopoly power? Write a measure of monopoly power.

**Section C - Short answer Type Questions**

Answer **any six** questions not exceeding one page (**6 x 5 = 30 marks**)

25. Distinguish between AC and MC. Explain the relation between them.
26. Explain the impact of a tax on price and quantity of a commodity in competitive market.
27. "A monopolist can determine either his price or his output"- Explain.
28. Describe the short run and long run equilibrium under monopolistic competition.
29. Why the supply curve of labour is a backward bending curve?
30. Differentiate between monopoly and monopolistic competition.
31. Explain the role of selling cost in imperfect competition.
32. Explain the price and output determination in bilateral monopoly.

**Section D -Essay Type Questions**

Answer **any two** questions not exceeding three pages (**2 x 12 = 24 marks**)

33. Critically analyze and explain the Marginal Productivity Theory of Distribution.
34. Explain the equilibrium of a firm and industry under perfect competition in short run and
35. What is price discrimination? Explain the different types of price discrimination.
36. Explain the price and output determination under Cournot's Duopoly Model.

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