

16U231

(Pages: 2)

Name.....

Reg. No.....

**SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY-2017**

(Regular/Supplementary/Improvement)

(CUCBCSS – UG)

**CC15U ECO2 B02 – MICRO ECONOMICS – II**

(Core Course: Economics)

(2015 Admission Onwards)

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 industry demand curve is:  
a. vertical                      b. horizontal                      c. downward sloping                      d. upward sloping
2. Explicit cost of a firm together with implicit cost are known as:  
a. private cost                      b. social cost                      c. accounting cost                      d. economic cost
3. In monopoly, MR is always ..... AR.  
a. less than                      b. equal to                      c. more than                      d. none of these
4. The demand for inputs is a ..... demand.  
a. direct                      b. income                      c. derived                      d. none of these
5. .... market refers to the market for inputs.  
a. Product                      b. Factor                      c. Perfect                      d. Imperfect
6. Price discrimination is possible only under:  
a. monopoly                      b. oligopoly                      c. duopoly                      d. monopsony

**Fill in the Blanks:**

7. .... cost refers to the expenditure that has been incurred and cannot be recovered.
8. In ..... market producer is a price taker.
9. .... is a market where there is a single buyer of an input in a particular market.
10. OPEC is an example of .....
11. Price rigidity is characteristics of ..... market.
12. .... introduced the concept of selling costs.

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

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

13. What is the difference between bilateral monopoly and duopoly?

14. Distinguish between an increasing cost industry and a decreasing cost industry.
15. Draw a labeled diagram to show price determination in market period under perfect competition.
16. Differentiate between a firm and an industry with one example each.
17. What is the difference between two-part pricing and peak-load pricing?
18. Describe the different forms of price leadership.
19. What is meant by excess capacity?
20. Enumerate the characteristics of oligopoly.
21. Differentiate between collusive and non-collusive oligopoly model.
22. What is product differentiation?
23. Explain Lerner Index.
24. Distinguish between fixed cost and variable cost with one example each.

#### Section C - Short answer Type Questions

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

25. Draw and describe the shape of LAC under the traditional theory of costs.
26. Explain the impact of a subsidy on price and quantity of a commodity in a competitive market.
27. What is dumping? Explain the different types of dumping.
28. Explain the price and employment determination of an input under perfect competition.
29. Give a comparison of monopolistic competition and perfectly competitive market.
30. Explain the price and output determination by a multi plant firm.
31. Explain the term social cost of monopoly?
32. Explain the differences between oligopoly and monopolistic competition.

#### Section D - Essay Type Questions

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

33. Describe the shape of long run and short run cost curves under the modern theory of costs.
34. Examine the difference in the equilibrium of a firm under perfect competition in the short run and long run.
35. Explain the equilibrium of a monopoly firm in the short run and in the long run.
36. Critically examine the Kinked Demand Curve Model.

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