(CUCBCSS - UG)(Supplementary/Improvement) CC15U ECO2 B02 - MICRO ECONOMICS - II (Economics - Core Course) (2015 to 2018 Admissions) Maximum: 80 Marks Section A (Objective Type Questions.) Answer *all* questions. Each question carries  $\frac{1}{2}$  mark. Multiple Choice: 1. The author of 'Economics of Imperfect Competition' is: a) Mrs. Joan Robinson c) Chamberlin b) Nurkse d) Keynes 2. The short run average variable cost is saucer shaped because of the presence of: a) Excess capacity c) Economies of Scale b) Reserve Capacity d) Diseconomies of scale 3. The concept of Pareto-optimality is valid only under: a) Perfect Competition c) Monopoly b) Oligopoly d) Monopolistic competition 4. The demand curve for the product of a firm in perfectly competitive industry is: c) Vertical a) Horizontal b) Downward sloping d) Upward sloping 5. In Sweezy's model of oligopoly price is a) Rigid b) Fluctuating c) Flexible d) Determinate 6. Profit maximizing condition of a firm is given by: a)  $MRP_L > W$ b)  $MRP_L < W$ c)  $MRP_L = W$ d) None of these Fill in the Blanks: 7. Explicit cost + Implicit cost = \_\_\_\_\_ 8. Monopoly price is usually \_\_\_\_\_\_ than competitive price. 9. The difference between ideal output and the actual output is \_\_\_\_\_ 10. The equilibrium of the product group is known as \_\_\_\_\_ 11. \_\_\_\_\_\_ is an implicit or explicit agreement among firms in an industry not to compete with each other.

12. The demand for an input is \_\_\_\_\_\_ demand.

**19U212S** 

(Pages: 2)

Name: ..... Reg. No.....

**SECOND SEMESTER B.A. DEGREE EXAMINATION, APRIL 2020** 

Time: Three Hours

# **Section B** (Very Short Answer Type Questions) Answer any *ten* questions not exceeding one paragraph

- 13. What is opportunity cost?
- 14. Differentiate between traditional and modern long run average cost curves.
- 15. What are the conditions of equilibrium of a firm under perfect competition?
- 16. Explain Bilateral monopoly.
- 17. What are the major characteristics of oligopolistic industry?
- 18. Differentiate between production cost and selling cost.
- 19. Discuss Peak-load pricing.
- 20. What is Lerner's Index?
- 21. Explain supply curve of a competitive firm.
- 22. What do you mean by increasing cost industry?
- 23. What are the different types of Price leadership?
- 24. What do you mean by Cartel?

## (10 x 2 = 20 Marks)

### **Section C** (Short Answer Type Questions) Answer any *six* questions not exceeding one page

- 25. Explain the relationship between AFC, AVC, AC and MC.
- 26. Why long run average cost curve is 'L' shaped in the modern theory?
- 27. Explain shut down point.
- 28. Discuss the welfare effects of government intervention.
- 29. What do you meant by dumping? Discuss different types of dumping?
- 30. Diagrammatically explain equilibrium of a monopsonist.
- 31. Explain and illustrate the concept of excess capacity.
- 32. Discuss income and substitution effects of a wage increase with the diagram.

 $(6 \times 5 = 30 \text{ Marks})$ 

## Section D (Essay Type Questions)

#### Answer any two questions not exceeding three pages

- 33. Explain the short run and long run equilibrium of a firm and industry under perfect competition.
- 34. What is price discrimination? Explain different degrees of price discrimination.
- 35. Discuss kinked demand curve model of oligopoly.
- 36. Critically explain the marginal productivity theory of input demand.

(2 x 12 = 24 Marks)

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