



**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 mean 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 x 5 = 30 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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