

18U212

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Name.....

Reg. No.....

SECOND SEMESTER B.A. DEGREE EXAMINATION, APRIL 2019

(Regular/Supplementary/Improvement)

(CUCBCSS – UG)

CC15U ECO2 B02 – MICROECONOMICS - II

Economics - Core Course

(2015 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

Section A

Answer *all* questions. Each question carries 1 mark.

1. If LAC falls as output expands, this is due to :
(a) Law of Diminishing Returns (b) Economies of scale
(c) Diseconomies of scale (d) Any of the above
2. The concept of Pareto-optimality is valid only under:
(a) Perfect competition (b) Monopoly
(c) Oligopoly (d) Monopolistic competition
3. Under perfect competition which of the following is correct?
(a) $MR = AR$ (b) $AR > MR$ (c) $MR > AR$ (d) None of these
4. The average variable cost in modern theory is:
(a) U shaped (b) L shaped
(c) Saucer shaped (d) Rectangular hyperbola.
5. Product differentiation is a feature of:
(a) Monopolistic competition (b) Pure Oligopoly
(c) Perfect competition (d) Monopoly
6. The demand for an input is:
(a) Direct demand (b) Derived demand (c) Income demand (d) Cross demand

Fill in the blanks:

7. According to Chamberlin the shape of selling cost is _____
8. The difference between ideal output and actual output in monopolistic competition is _____
9. _____ is a market consisting of a single seller and a single buyer
10. A group of firms that have explicitly agreed to work together as a monopolist is called _____
11. Monopoly price is usually _____ than competitive price.
12. In the long run, firm under competitive market earns _____ profit.

(12 x 1/2 = 6 Marks)

Section B

Answer any *ten* questions. Each question carries 2 marks.

13. What is Price leadership?
14. 'Demand curve of a firm in perfect competition is horizontal'. Explain.
15. What is Learner Index?
16. Differentiate between fixed costs and sunk costs.
17. What do you mean by dumping?
18. Explain shut down point of a firm in perfect competition.
19. What is input pricing?
20. Define wage elasticity of demand for labour.
21. What are the main characteristics of an oligopoly market?
22. Distinguish between production costs and selling costs.
23. Explain the relationship between AC and MC
24. What is Group equilibrium?

(10 x 2 = 20 Marks)

Section C

Answer any *six* questions. Each question carries 5 marks.

25. Explain short run equilibrium of a firm under Perfect Competition.
26. Explain different concept of costs.
27. Why supply of a labour is a backward bending curve?
28. Discuss price determination under monopoly market situation.
29. Explain peak-load pricing.
30. Discuss the price and output determination in bilateral monopoly.
31. Examine Cournot's duopoly model.
32. Discuss marginal productivity theory of input demand.

(6 x 5 = 30 Marks)

Section D

Answer any *two* questions. Each question carries 12 marks.

33. Explain short run cost curves in traditional and modern theory.
34. What is price discrimination? Discuss various degrees of price discrimination.
35. Critically explain kinked demand theory of Oligopoly.
36. Explain welfare effects of government intervention in the market.

(2 x 12 = 24 Marks)
