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(2nd Semester)

ECONOMICS

Paper : ECO-201

(Microeconomics—II)

(New Course)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the question

SECTION—I

(Marks : 15)

- 1.** Put a Tick (✓) mark against the correct answer in the brackets provided :

1×10=

(a) A firm under perfect competition attains equilibrium when MC curve cuts MR curve from

(i) right ()

(ii) left ()

(iii) below ()

(iv) above ()

(b) In monopoly market situation

- (i) the products have no close substitutes ()
- (ii) the products are homogeneous ()
- (iii) seller is price-taker ()
- (iv) buyer controls supply ()

(c) Market price of a commodity is determined by

- (i) supply ()
- (ii) demand ()
- (iii) size of the market ()
- (iv) cost of production ()

(d) Under monopolistic competition, the entry of firm is

- (i) limited ()
- (ii) blocked ()
- (iii) easy ()
- (iv) None of the above ()

- (e) The key feature of oligopoly is
- (i) high profit ()
 - (ii) product differentiation ()
 - (iii) one seller ()
 - (iv) inter-dependence of firms ()
- (f) Each seller assumes his/her rival's output as being constant under
- (i) Edgeworth's non-collusive model ()
 - (ii) Cournot's duopoly model ()
 - (iii) Sweezy's kinked demand model ()
 - (iv) None of the above ()
- (g) According to Ricardo, rent occurs due to
- (i) law of increasing returns ()
 - (ii) law of diminishing returns ()
 - (iii) law of constant returns ()
 - (iv) All of the above ()

- (h) According to modern theory, rent arises on account of
- (i) land only ()
 - (ii) labour only ()
 - (iii) capital only ()
 - (iv) All of the above ()
- (i) The classical theory explained interest as reward for
- (i) parting with liquidity ()
 - (ii) abstinence ()
 - (iii) use of capital ()
 - (iv) inconvenience ()
- (j) Dynamic theory of profit was propounded by
- (i) Clarke ()
 - (ii) Hawley ()
 - (iii) Schumpeter ()
 - (iv) None of them ()

(5)

2. State whether the following statements are *True* or *False* by putting a Tick (✓) mark in the brackets provided 1×

(a) A monopoly can fix price and output simultaneously to maximize his profit.

True () / *False* ()

(b) Product differentiation is the cornerstone of monopolistic competition.

True () / *False* ()

(c) Cournot's duopoly model explained with kinked demand curve.

True () / *False* ()

(d) Ricardo assumes that rent arises due to scarcity.

True () / *False* ()

(e) Hawley propounded risk theory of profit.

True () / *False* ()

(6)

SECTION—II

(Marks : 10)

3. Write short notes on any *five* of the following :

(a) Price discrimination

(7)

(b) Selling cost

(c) Features of oligopoly

(9)

(d) Cartel

(10)

(e) Differential rent

(11)

(f) Insurable risks

(12)

(g) Innovation theory of profit

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2 0 2 2

(2nd Semester)

ECONOMICS

Paper : ECO-201

(Microeconomics—II)

(New Course)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

*The figures in the margin indicate full marks
for the questions*

1. (a) Explain how a firm can attain equilibrium under perfect competition.

Or

- (b) What is a monopoly market? Discuss how can monopoly be controlled and regulated. 2+

(2)

2. (a) Discuss the Chamberlin's approach to monopolistic competition.

Or

- (b) Explain how an individual firm attains equilibrium under monopolistic competition.

3. (a) Discuss the characteristics of oligopoly market.

Or

- (b) Critically examine Edgeworth's model of oligopoly market.

4. (a) Examine how collective bargaining determines the wage rate.

Or

- (b) Discuss the Ricardian theory of rent.

5. (a) What is net interest? Discuss the Knight's uncertainty theory of interest.

2+

Or

- (b) Discuss the Clarke's dynamic theory of profit.
