

2025

(FYUGP)

(4th Semester)

ECONOMICS

(MAJOR)

Paper : EC4.CC7

(Intermediate Microeconomics—II)

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

The questions are of equal value

Answer **one** question from each Unit

UNIT—I

1. Define the concept of economic rent. How is rent determined according to Ricardian theory?
2. Discuss how modern theory of wages differ from marginal productivity theory of wages.

UNIT—II

3. Profit is a dynamic surplus. Discuss.

4. Profit is a reward for risk-bearing innovation or a result of monopoly power. Comment.

UNIT—III

5. Discuss the nature and scope of welfare economics.
6. What is social welfare function? How does the use of social welfare function solve the problem of Pareto's value-free criterion of social welfare?

UNIT—IV

7. What is monopoly? Explain the process of price determination under monopoly.
8. Explain and illustrate how a firm in monopolistic competition attain equilibrium.

UNIT—V

9. What is meant by externalities? How does existence of externalities affect efficient allocation of resources?
10. What is the efficiency condition for the production of a commodity? Illustrate and explain efficient production of a public good.
