



Ba/EC4.CC7

2026

( FYUGP )

( 4th Semester )

ECONOMICS

( MAJOR )

Paper : EC4.CC7

( Intermediate Microeconomics—II )

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

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

Answer **one** question from each Unit.

UNIT—I

1. Explain the concept of wage differential.  
Discuss the main factors responsible for  
wage differential among workers in an  
economy. 5+10=15
2. Define scarcity rent, differential rent and  
quasi rent. Clearly distinguish among them  
and explain their importance in economic  
analysis. 9+6=15

26L/371

( Turn Over )



( 2 )

UNIT—II

3. Explain Schumpeter's innovation theory of profit. How does innovation lead to the emergence of profit in a dynamic economy? 15

4. Discuss Knight's uncertainty theory of profit. Distinguish between risk and uncertainty in this context. 15

UNIT—III

5. Define social welfare function. Diagrammatically examine the problem of welfare maximization. 3+12=15

6. Discuss the paternalist and cardinalist criterion of social welfare.  $7\frac{1}{2}+7\frac{1}{2}=15$

UNIT—IV

7. What is price discrimination? Discuss in detail the different types of price discrimination. 3+12=15

8. Critically explain Cournot's duopoly model. 15

26L/371

( Continued )

26L—1200/371

Ba/EC4.CC7

( 3 )

UNIT—V

9. Give an account on the Coase theorem. Discuss its role in solving the problem of externalities. 15

10. Define asymmetric information. Explain with examples, how asymmetric information leads to market failure. 3+12=15

★★★