

TDC (CBCS) Even Semester Exam., 2019

ECONOMICS

(2nd Semester)

Course No. : ECODSC-201T/ECOGE-201T

(Core Economics—II : Principles of Micro-
Economics—II)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

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

UNIT—I

1. Answer any *four* of the following : 1×4=4
- (a) What is perfect competition?
- (b) What is a unique characteristic of monopoly?

- (c) “Monopoly firm always earns supernormal profit.” Write true or false.
- (d) Why is the demand curve under perfect competition perfectly elastic?
- (e) What is short run?

2. Answer any *one* of the following : 2

- (a) How does perfect competition differ from imperfect competition?
- (b) What is price discrimination?

3. Answer any *one* of the following : 8

- (a) What is monopoly market? What are its characteristics? Explain.
- (b) How does a monopoly firm determine equilibrium price and output both in the short and long run? Explain with the help of a diagram.

UNIT—II

4. Answer any *four* of the following : 1×4=4

- (a) Who wrote *The Theory of Monopolistic Competition*?

(3)

- (b) What is the nature of product in case of monopolistic competition?
- (c) What are selling costs?
- (d) Can a firm under monopolistic competition supernormal profit in the long run?
- (e) Draw the demand curve of a firm under monopolistic competition.
5. Answer any *one* of the following : 2
- (a) What is product differentiation?
- (b) Mention any two characteristics of oligopoly market.
6. Answer any *one* of the following : 8
- (a) Explain the differences between monopolistic competition and perfect competition.
- (b) "A firm under monopolistic competition may earn normal profit, supernormal profit or incur losses in the short-run." Explain the statement with the help of suitable diagrams.

(4)

UNIT—III

7. Answer any *four* of the following : 1×4=4
- (a) Does market failure arise due to externalities?
- (b) Give one example of public good.
- (c) What do you mean by negative externality?
- (d) "Market participation affected by asymmetric information is a condition of adverse selection." Write true or false.
- (e) What is marginal cost pricing?
8. Answer any *one* of the following : 2
- (a) Define public goods.
- (b) Give two examples of positive externalities.
9. Answer any *one* of the following : 8
- (a) Explain the characteristics of public good.
- (b) What is market failure? What are the sources of market failure? Explain.

2+6=8

(5)

UNIT—IV

10. Answer any *four* of the following : 1×4=4

- (a) What are the factors of production?
- (b) What is average physical productivity of a factor?
- (c) In perfect competition, $VMP > MRP$. Write true or false.
- (d) What is functional distribution?
- (e) Mention one assumption of factor pricing under perfect competition.

11. Answer any *one* of the following : 2

- (a) What is input market?
- (b) State the two conditions of equilibrium of factor market under perfect competition.

(6)

12. Answer any *one* of the following : 8

- (a) What is factor pricing? Explain with the help of a diagram how factor price is determined under perfect competition. 3+5=8
- (b) Explain briefly the determinants of the demand for a variable factor by an individual firm.

UNIT—V

13. Answer any *four* of the following : 1×4=4

- (a) Who is the father of welfare economics?
- (b) The 'compensation principle' was suggested by whom?
- (c) What is Pareto optimality?
- (d) What do you mean by ideal output?
- (e) Is welfare economics a normative or positive study?

14. Answer any *one* of the following : 2

- (a) What is welfare economics?
- (b) What is value judgement?

(7)

15. Answer any *one* of the following : 8

- (a) Discuss critically the Pigovian welfare condition.
- (b) Explain briefly the social welfare function introduced by Prof. Bergson.

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