

TDC Even Semester Exam., 2019

ECONOMICS

(Pass)

(**2nd Semester**)

Course No. : ECOP-201

(**Microeconomics—II**)

Full Marks : 50

Pass Marks : 17

Time : 2 hours

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

Answer **five** questions, selecting **one** from each Unit

UNIT—I

1. (a) What is opportunity cost? 2
- (b) Distinguish between fixed cost and variable cost. 3
- (c) Diagrammatically illustrate the concepts of total fixed cost curve, total variable cost curve, average fixed cost curve and average variable cost curve. 5

2. (a) What is revenue? How does it differ from cost? Discuss. 2+3=5
- (b) Explain the shape of marginal revenue and average revenue curves for perfect competition market and monopoly market. 5

UNIT—II

3. (a) Distinguish between short period and long period. 2
- (b) When will a firm under perfect competition market shut down? 2
- (c) Why does under perfect competition market Marginal Revenue (MR) curve coincide with Average Revenue (AR) curve? 2
- (d) Explain with the help of a diagram, how a firm attains equilibrium under perfect competition market in the long period. 4
4. (a) Why is a firm under monopoly market called a price taker? 2
- (b) Write two differences between monopoly and monopolistic competition. 2

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- (c) Mention two factors which govern the growth of monopoly. 2
- (d) State and explain the short-run equilibrium of a firm under monopoly. 4

UNIT—III

5. (a) Define monopolistic competition. 2
- (b) Mention four important features of monopolistic competition. 4
- (c) Explain with diagram, how a firm under monopolistic competition determines equilibrium price of its product. 4
6. (a) Write down four important causes responsible for the emergence of oligopoly. 4
- (b) What are the conditions for effective price leadership under oligopoly market? 2
- (c) Point out two important characteristics of oligopoly market. 2
- (d) Draw a kinked demand curve along with its Marginal Revenue (MR) curve under oligopoly model. 2

(4)

UNIT—IV

7. (a) "The desire for liquidity arises because of three motives." State these motives. 3
- (b) Define real wages. What are the three important factors which determine the real wage of workers? 1+3=4
- (c) Briefly explain the modern theory of rent. 3
8. (a) Distinguish between gross profit and net profit. 2
- (b) Who put forward the uncertainty theory of profit? What are the differences between risks and uncertainties? 1+3=4
- (c) Briefly explain the uncertainty theory of profit. 4

UNIT—V

9. (a) Distinguish between positive economics and normative economics. 3
- (b) Explain the concept of social welfare. 4
- (c) What, according to Pareto, are the criteria of classical welfare economics? 3
10. Explain the concept of Pareto optimality. What are the three important marginal principles of Pareto optimality? 4+6=10

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