

2024

(NEP-2020)

(2nd Semester)

ECONOMICS (MAJOR/MINOR)

(Microeconomics—II)

Full Marks : 75

Time : 3 hours

The figures in the margin indicate full marks for the questions

(SECTION : A—OBJECTIVE)

(Marks : 10)

Tick (✓) the correct answer in the brackets provided :

1×10=10

1. A market reaches equilibrium when

- (a) demand equals supply ()
- (b) supply of goods overtakes its demand ()
- (c) market forces are imbalanced ()
- (d) None of the above ()

2. Which of the following is not a feature of perfect competition?

- (a) Differentiated products ()
- (b) Free entry and exit of firms ()
- (c) Large number of buyers and sellers ()
- (d) Perfect knowledge ()

3. Duopoly is a form of
- (a) oligopoly market ()
 - (b) monopolistic market ()
 - (c) local market ()
 - (d) perfect competition ()
4. Firms under monopolistic competition have
- (a) no control over the price of its product ()
 - (b) large control over the price of its product ()
 - (c) very large control over the price of its product ()
 - (d) some control over the price of its product ()
5. Oligopoly is said to exist when there is/are
- (a) large number of firms producing a product ()
 - (b) a few but not many firms producing a product ()
 - (c) very few firms producing a product ()
 - (d) only one firm producing a product ()
6. Factor prices are determined in the factor market under the forces of
- (a) demand and supply ()
 - (b) marginal productivity ()
 - (c) elasticity of demand ()
 - (d) elasticity of supply ()
7. Quasi-rent refers to
- (a) surplus earnings generated by all factors of production ()
 - (b) surplus earnings generated by labour and capital ()
 - (c) surplus earnings generated by the factors of production except land ()
 - (d) None of the above ()

8. Innovation theory of profit is given by

- (a) Adam Smith ()
- (b) David Ricardo ()
- (c) Schumpeter ()
- (d) Vilfredo Pareto ()

9. Pareto optimality occurs when

- (a) reallocation of resources is possible without making someone else worse off ()
- (b) reallocation of resources is not possible without making someone else worse off ()
- (c) reallocation of resources is no longer possible ()
- (d) there is reallocation of resources ()

10. The Kaldor-Hicks compensation principle can be explained with the help of

- (a) indifference curve ()
- (b) equal product curve ()
- (c) Kuznets curve ()
- (d) utility possibility curve ()

(SECTION : B—SHORT ANSWERS)

(Marks : 15)

Write short notes on *five* of the following, taking at least *one* from each Unit :

3×5=15

UNIT—I

- 1. Controlled and administered prices
- 2. Concept of zero profit

UNIT—II

- 3. Kinked demand curve
- 4. Bilateral monopoly

UNIT—III

5. Scarcity rent
6. Factor market

UNIT—IV

7. Value judgement
8. Social welfare function

(SECTION : C—DESCRIPTIVE)

(Marks : 50)

Answer five of the following, taking at least one from each Unit : 10×5=50

UNIT—I

1. What are the main features of perfect competition? Explain how equilibrium is achieved in the short-run under perfect competition. 3+7=10
2. What is price discrimination? Briefly explain the types and degrees of price discrimination. 2+8=10

UNIT—II

3. Define monopolistic competition. Explain short-run equilibrium under monopolistic competition. 3+7=10
4. Examine the equilibrium condition under oligopoly market with kinked demand curve. 10

UNIT—III

5. Explain the marginal productivity theory of distribution. 10
6. Critically examine the Keynesian theory of interest. 10

UNIT—IV

7. Critically discuss Kaldor-Hicks compensation principle. 10
8. What is Pareto optimality? What are the necessary conditions? 2+8=10
