

4th Semester Examination, 2022

Time : 3 hours

Full Marks : 80

Answer from all the Parts as per direction

The figures in the right-hand margin indicate marks

*Candidates are required to answer in their own words
as far as practicable*

(MICRO ECONOMICS-II)

PART – I

1. Answer *all* of the following : Fill in the blanks from (a) to (f) and answer in *one* word each :

1 × 12

- (a) In the short run, Producer's Surplus in case of a competitive firm is Total Revenue minus _____ cost.

(Turn Over)

(2)

(b) A mathematical equation that links the price of goods as a function of quantity supplied is called _____ function.

(c) Long run average cost curve is _____ 'U' shaped than the short run average cost curve.

(d) Economic Rent is a surplus earned by a factor over and above its _____ earning.

(e) Edgeworth box diagram is frequently used in _____ equilibrium analysis.

(f) An association of Oligopolist producers to regulate prices by restricting output and competition among member firms is called _____ .

(g) To prevent Monopolistic and Restrictive trade practices, which Act was passed in Indian parliament in the year 2002 ?

(h) In which type of Games, a cartel is enforced ?

(3)

- (i) What is the outcome of a game called in the form of gain or loss ?
- (j) Name the game in which the gain of one player is equal to loss of the other player.
- (k) Which theorem of welfare economics proved that an equilibrium achieved by a competitive market will be Pareto efficient ?
- (l) Who has introduced the concept of pure competition ?

PART – II

2. Answer any *eight* of the following questions within *two* or *three* sentences each : 2 × 8

- (a) Define Market.
- (b) What is meant by Zero economic profit ?
- (c) Define Marginal Rate of Transformation.
- (d) What is meant by Collusion in Oligopoly ?
- (e) Define Price discrimination.

- (f) Give the meaning of Excess Capacity.
- (g) What are sequential games ?
- (h) Write down the meaning of product differentiation.
- (i) What is Pareto-efficient allocation ?

PART – III

3. Answer any *eight* of the following short notes within 75 words each : 3 × 8

- (a) Mention the factors that influence market environment.
- (b) State the conditions of Price discrimination.
- (c) Point out the dynamic views of Monopoly.
- (d) How do expectations affect the supply decisions of a competitive firm ?
- (e) Make a distinction between Pure and Mixed strategies of a Game.

- (f) State the conditions of equilibrium of a Perfectly Competitive firm in the short run and long run ?
- (g) What are the different types of Price leadership ?
- (h) Give the meaning of Barriers to entry in Monopoly market. State its various types.
- (i) Depict the Group equilibrium of Monopolistic Competition.
- (j) How is Pareto efficiency explained through Comparative advantage ?

PART – IV

Answer all questions of the following within 500 words each :

7 × 4

4. Derive the long run supply curve of Perfect Competitive firm under increasing and decreasing cost conditions.

Or

“In the long run equilibrium, every firm in a competitive industry earns zero profits.”—
Elucidate.

5. Explain the problem of stability and existence in general equilibrium analysis.

Or

What is Pareto optimality ? Discuss consumption and production efficiency through Edgeworth Box diagram.

6. “Monopoly causes misallocation of resources or inefficiency in resource allocation.” Discuss.

Or

Define Monopolistic Competition. Explain how price of a firm determined under Monopolistic Competition.

(7)

7. What is Nash equilibrium ? Explain the use of Nash equilibrium in determining equilibrium in a duopoly.

Or

Critically examine the Cournot's model of Oligopoly with the help of reaction curves.
