



Reg. No. :

Name :

II Semester B.A. Degree (CCSS – Supple./Improv.) Examination, May 2015
CORE COURSE IN ECONOMICS/DEVELOPMENT ECONOMICS
2B02 ECO : Micro Economic Analysis – II
(2011 and Earlier Adm.)

Time : 3 Hours

Max. Weightage : 30

Instruction : Answer may be written either in **English** or in **Malayalam**.

PART – A

Objective type questions (in bunches of **two**) :

I. Choose the correct answer :

1) Under perfect competition, equilibrium is attained with the condition

- a) $MC = AC = AR = MR$
- b) $P_x/P_y = M_{ux}/M_{uy}$
- c) $MRS_{x:y} = P_x/P_y$
- d) $MRTS_{L:K} = MP_L/MP_K$

2) The author of Economics of imperfect competition

- a) Lionel Robbins
- b) E.H. Chamberline
- c) Joan Robinson
- d) J.R. Hicks

3) Kinky demand curve indicates

- a) price flexibility
- b) price rigidity
- c) demand flexibility
- d) demand rigidity

4) Ricardo developed theory of

- a) wages
- b) rent
- c) interest
- d) profit

(Weightage : 1)



- II. 5) The condition of Pareto optimality holds correct under
- | | |
|------------------------|-----------------------------|
| a) Perfect competition | b) Monopoly |
| c) Oligopoly | d) Monopolistic competition |
- 6) The optimum level of output for a perfectly competitive firm is given by the point
- | | |
|------------------------------------|----------------------------------|
| a) MR equals MC | b) MR equals AC |
| c) MR equals MC by greatest amount | d) MR equals MC and MC is rising |
- 7) Amartya Sen's significant contribution is in the field of
- | | |
|----------------------|--------------------------|
| a) Labour Economics | b) Development Economics |
| c) Welfare Economics | d) Economic theory |
- 8) The Liquidity preference theory is given by
- | | |
|-------------|--------------|
| a) JR Hicks | b) Samuelson |
| c) Keynes | d) Ricardo |
- (Weightage = 1)**

PART – B

III. Short answer questions. Answer **any ten** questions of the following **not** exceeding **50 words each**. **Each** question carries **1** weightage.

- 9) Distinguish between short run and long run.
- 10) What is a duopoly ?
- 11) State the relationship between AR and MR under perfect competition and monopoly.
- 12) What is meant by optimum output ?
- 13) Who introduced the concept of selling cost ? State its relevance.
- 14) What is meant by kinky demand ?
- 15) State Euler's theorem.
- 16) Define the marginal product of a factor.
- 17) What is meant by welfare economics ?



- 18) State the features of monopoly.
- 19) Define the concept of economic rent.
- 20) What is meant by dumping ?

(Weightage 1×10=10)

PART – C

IV. Short essay. Answer **any five** questions **not** exceeding **150 words each**. **Each** question carries **2** weightage.

- 21) Distinguish between monopoly and competition.
- 22) What are the specific features of monopolistic competition ?
- 23) Explain the Loanable fund theory.
- 24) Give an account on welfare function.
- 25) What is meant by price discrimination ? State the degrees of price discrimination.
- 26) What is the underlying principle of collusion under oligopoly ?
- 27) Explain the Ricardian theory of rent.

(Weightage 2×5=10)

PART – D

V. Long essay. Answer **any two** questions **not** exceeding **450 words**. **Each** question carries **4** weightage.

- 28) Explain Sweezy model of oligopoly market.
- 29) Critically examine the marginal productivity theory of distribution.
- 30) Discuss the price and output determination process under monopoly.
- 31) What is meant by price leadership ? Explain the different types of price leadership policy adopted under oligopoly.

(Weightage 4×2=8)