



K19U 0369

Reg. No. :

Name :

**II Semester B.A. Degree (CCSS – Supple.) Examination, April 2019
(2012-2013 Admissions)**

**CORE COURSE IN ECONOMICS/DEVELOPMENT ECONOMICS
2B02 ECO : Micro Economic Analysis – II**

Time : 3 Hours

Max. Weightage : 30

PART – A

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

Choose the correct answer :

1. Perfect competition is characterized by
 - a) Large number of buyers and sellers
 - b) Homogeneous product
 - c) Freedom of entry and exit
 - d) All of the above

2. The equality between MC and MR is a necessary but not sufficient condition for equilibrium of a firm, the second order condition is
 - a) Slope of MC = slope of MR
 - b) Slope of MC > slope of MR
 - c) Slope of MC < slope of MR
 - d) None of the above

3. An optimal allocation of resources means
 - a) The output is produced at minimum feasible cost
 - b) The consumers pay the minimum possible price
 - c) Firms only earn normal profits
 - d) All of the above

4. Under monopoly the firm is a
 - a) Price taker
 - b) Price maker
 - c) Either a price taker or price maker
 - d) None of the above

(Weightage : 1)

P.T.O.

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5. At the break-even point, TR is equal to
- MC
 - AC
 - AVC
 - TC
6. When a monopolist is able to sell two prices for the same product from two markets, it is a case of
- 1st degree of price discrimination
 - 2nd degree of price discrimination
 - 3rd degree of price discrimination
 - None of the above
7. Selling cost is maximum in the case of
- Perfect competition
 - Monopoly
 - Monopolistic competition
 - Oligopoly
8. The concept of kinked demand curve is related to
- Perfect competition
 - Monopoly
 - Monopolistic competition
 - Oligopoly

(Weightage : 1)

PART - B

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

- Perfect competition.
- Selling cost.
- Shut-down point.

(Weightage : 1)
P.T.O.



- 12. Dumping.
- 13. Equilibrium.
- 14. Bilateral monopoly.
- 15. Normal profit.
- 16. Derived demand.
- 17. Economic rent.
- 18. Monopsony.
- 19. Collusive oligopoly.
- 20. Pareto optimality.

(Weightage : 1×10=10)

PART – C

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

- 21. Distinguish between pure competition and perfect competition.
- 22. Write a note on product differentiation.
- 23. Critically explain GNP as a criterion of welfare.
- 24. Define price discrimination. List out the necessary conditions that must be fulfilled for the implementation of price discrimination.
- 25. Briefly explain the major features of monopolistic competition.
- 26. Explain Chamberlin's oligopoly model.
- 27. Write a note on the point of maximum social welfare.

(Weightage : 2×5=10)

(Weightage : 1)

F.T.O.



PART - D

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

- 28. Explain price and output determination under perfect competition.
- 29. The average cost of production and price of the product in the long run under monopolistic competition are higher than under perfect competition. Discuss.
- 30. Explain Cournot's duopoly model.
- 31. Discuss the optimal input employment under perfect competition. **(Weightage : 4×2=8)**

(Weightage : 4×2=8)
