

QP CODE

A4009

Enrollment Number:

Name:

BA DEGREE EXAMINATIONS, DECEMBER 2024

Third Semester

B.A. Economics

B21EC03DC – Microeconomics II

(2023 January admissions)

Time: 3 Hours

Max Marks: 70

Section A

Answer any ten of the following questions in a word or sentence each. Each question carries 1 mark.

1. What is the shape of the demand curve under perfect competition?
2. Which is the market structure characterized by a single seller and large number of buyers?
3. What is duopoly model?
4. Give an example of a cartel.
5. Define functional distribution of income.
6. What is differential rent?
7. What is labour?
8. What is transaction motive of money?
9. Who introduced the dynamic theory of profit?
10. What do you call the application of a scientific discovery or invention for economic purpose?
11. What is a non-rival good?
12. Give any two examples of private goods.
13. Give two examples of negative production externalities.
14. What is market failure?
15. Expand MRTS.

(1X10=10)

Section B

Answer any ten of the following questions in two or three sentences each. Each question carries 2 marks.

16. What are the features of perfect competition?
17. What are the two conditions to be satisfied by the monopolists for maximising its short- run profits?
18. Distinguish between collusive and non-collusive oligopoly.
19. State the fundamental assumptions of Ricardian theory of rent.
20. Distinguish between financial and physical capital.

21. State the three reasons given by Bawerk for the origin of interest rates.
22. What are the three motives to hold money as put forward by Keynes?
23. What are the innovations which increase the demand for goods?
24. What is the Greatest Happiness Principle in welfare economics?
25. State the three Pareto efficiency marginal conditions.
26. What is a non-excludable good? Give an example.
27. State any three reasons for market failure.
28. What is a homogenous product? Give examples.
29. What is natural monopoly?
30. What is product differentiation?

(2X10=20)

Section C

Answer any five of the following questions in a paragraph each. Each question carries 4 marks.

31. Write a short note on the demand curve of a perfectly competitive firm.
32. Briefly explain the reasons for the emergence of a monopoly in an economy.
33. Diagrammatically explain the long-run equilibrium under monopolistic competition.
34. Explain the kinked demand curve model.
35. Write a brief note on the components of supply of loanable funds.
36. Explain Knight's theory of profit.
37. What are the key aspects of Bentham's welfare criterion?
38. Explain the different types of externalities.
39. Briefly explain the characteristics of public goods using examples.
40. Explain the low cost price leadership models.

(4X5=20)

Section D

Answer any two of the following questions in 300 words each. Each question carries 10 marks.

41. Explain the concept of Pareto optimality.
42. Discuss the neo-classical theory of interest.
43. Explain the determination of wage under monopsony in the labour market and perfect competition in the product market.
44. Define monopolistic competition. Diagrammatically explain the short-run equilibrium of a firm under monopolistic competition.

(10X2=20)