2 0 2 5

(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. Under which form of market is a firm considered as price taker?

   (a) Monopoly   (   )

   (b) Monopolistic competition   (   )

   (c) Duopoly   (   )

   (d) Perfect competition   (   )

2. The price fixed by the government on a few carefully selected goods is

   (a) cost price   (   )   (b) equilibrium price   (   )

   (c) administered price   (   )   (d) All of the above   (   )

3. Entry is restricted under

   (a) perfect competition   (   )

   (b) monopoly   (   )

   (c) monopolistic competition   (   )

   (d) All of the above   (   )

4. Differentiated but close substitutes exist under

(a) perfect competition ( )

(b) monopoly ( )

(c) monopolistic competition ( )

(d) All of the above ( )

5. Few firms exist under

(a) perfect competition ( )

(b) oligopoly ( )

(c) monopolistic competition ( )

(d) both perfect and monopolistic competitions ( )

6. A market structure where a single buyer and a single seller exist is

(a) monopoly ( )

(b) bilateral monopoly ( )

(c) monopsony ( )

(d) duopoly ( )

7. The marginal productivity theory of distribution is associated with

(a) Adam Smith ( ) (b) Lionel Robbins ( )

(c) Alfred Marshall ( ) (d) J. B. Clark ( )

8. The uncertainty-bearing theory of profit was developed by

(a) P. A. Samuelson ( ) (b) F. H. Knight ( )

(c) Adam Smith ( ) (d) David Ricardo ( )

9. The compensation principle was formulated by

(a) Kaldor-Hicks ( ) (b) Vilfredo Pareto ( )

(c) A. C. Pigou ( ) (d) Prof. Bergson ( )

10. A situation in which it is impossible to make anyone better-off without making someone worse-off is said to be

(a) Bentham optimal ( )

(b) Bergson optimal ( )

(c) Hicks optimal ( )

(d) Pareto optimal ( )

(SECTION : B—SHORT ANSWERS)

(Marks : 15)

Write notes on *five* of the following, taking at least *one* from each Unit : 3×5=15

UNIT—I

1. Market equilibrium
2. Shutdown point

UNIT—II

3. Monopsony
4. Oligopoly

UNIT—III

5. Quasi-rent
6. Keynesian theory of interest

UNIT—IV

7. Classical welfare economics
8. Kaldor-Hicks theory of welfare

(SECTION : C—DESCRIPTIVE)

(Marks : 50)

Answer *five* questions, taking at least *one* from each Unit : 10×5=50

UNIT—I

1. With suitable diagram, explain how a firm attains equilibrium under perfect competition in the short run. 10

2. What do you mean by price discrimination? Explain when is price discrimination possible and profitable. 3+7=10

UNIT—II

3. Define duopoly and mention its features. Explain how a duopoly firm reaches equilibrium. 4+6=10

4. Discuss how a monopolistic firm attains long-run equilibrium. 10

UNIT—III

5. Briefly explain the marginal productivity theory of wage determination. 10

6. Explain, with the help of a diagram, how factor market equilibrium is attained. 10

UNIT—IV

7. Give a brief explanation of Pareto's criterion of social welfare. 10

8. Discuss Bergson-Samuelson social welfare function. 10

★ ★ ★