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(Held in January/February, 2022)

ECONOMICS

(Major)

Course : 301

(Microeconomics—II)

Full Marks : 80

Pass Marks : 24

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. Choose the correct option/Answer the following questions : 1×8=8

   (a) The break-even point for a perfectly competitive firm occurs at the minimum point of the

      (i) AVC curve   (ii) AC curve

      (iii) MC curve   (iv) AFC curve

   (b) In the long run, some firms will exit the market if the price of the goods offered for sale is less than

      (i) AFC   (ii) MC

      (iii) ATC   (iv) AR

(c) Price discrimination is possible if two markets have

   (i) rising cost curves

   (ii) declining cost curves

   (iii) different elasticities of demand

   (iv) equal elasticities of demand

(d) Write the meaning of 'economic efficiency'.

(e) Define quasi-rent.

(f) Discriminating monopoly implies that the monopolist charges different prices for his commodity

   (i) from different groups of consumers

   (ii) for different uses

   (iii) at different places

   (iv) Any of the above

(g) Oligopolistic industries are characterized by

   (i) a few dominant firms and substantial barriers to entry

   (ii) a few large firms and no entry barriers

   (iii) a large number of small firms and no entry barriers

   (iv) one dominant firm and less entry barriers

(h) With which one of the following is the doctrine of excess capacity not associated?

   (i) Perfect competition

   (ii) Monopolistic competition

   (iii) Monopoly

   (iv) Oligopoly

2. Write short notes on any *four* of the following (**within 150 words** each) :   4×4=16

   (a) Objectives of the firm

   (b) Features of monopsony

   (c) Homogeneous product and differentiated product

   (d) Bilateral monopoly

   (e) Market failure

Answer the following questions (**within 500 words** each) :

3. (a) Describe the process of derivation of the supply curve of the firm and the industry in the short run under perfect competition.   6+6=12

Or

   (b) Explain with the help of suitable diagrams, the long-run equilibrium of the firm and the industry under perfect competition.   6+6=12

4. (a) How does a monopolist determine price and output both in the short run and in the long run?   6+5=11

        (Turn Over)

Or

(b) Write the meaning of natural monopoly and price regulation. Explain with a diagram, the process of price regulation.   6+5=11

5. (a) What are the differences between monopoly market and oligopoly market? Explain with examples, the types of oligopoly.   4+7=11

Or

(b) Illustrate how a firm in monopolistic competition reaches its equilibrium in the short run. Does a firm in equilibrium in monopolistic competition always make supernormal profit? Justify.   7+4=11

6. (a) Distinguish between rent and quasi-rent. Explain the Ricardian theory of rent.   3+8=11

Or

(b) Explain the Euler's theorem of distribution of factor income.   11

7. (a) Write the meaning of general equilibrium. Describe 'interrelations and interdependence of markets'.   4+7=11

Or

(b) Discuss the general equilibrium and economic efficiency of competitive markets.   11

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