

**2019/TDC/EVEN/ECODSC/
ECOGEC-201T/062**

TDC (CBCS) Even Semester Exam., 2019

ECONOMICS

(2nd Semester)

Course No. : ECODSC-201T/ECOGEC-201T

**(Core Economics—II : Principles of Micro-
Economics—II)**

Full Marks : 70

Pass Marks : 28

Time : 3 hours

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

UNIT—I

1. Answer any *four* of the following : 1×4=4
- (a) What is perfect competition?
- (b) What is a unique characteristic of monopoly?

(2)

(c) "Monopoly firm always earns supernormal profit." Write true or false.

(d) Why is the demand curve under perfect competition perfectly elastic?

(e) What is short run?

2. Answer any one of the following : 2

(a) How does perfect competition differ from imperfect competition?

(b) What is price discrimination?

3. Answer any one of the following : 8

(a) What is monopoly market? What are its characteristics? Explain.

(b) How does a monopoly firm determine equilibrium price and output both in the short and long run? Explain with the help of a diagram.

UNIT—II

4. Answer any four of the following : $1 \times 4 = 4$

(a) Who wrote *The Theory of Monopolistic Competition*?

(3)

(b) What is the nature of product in case of monopolistic competition?

(c) What are selling costs?

(d) Can a firm under monopolistic competition supernormal profit in the long run?

(e) Draw the demand curve of a firm under monopolistic competition.

5. Answer any one of the following : 2

(a) What is product differentiation?

(b) Mention any two characteristics of oligopoly market.

6. Answer any one of the following : 8

(a) Explain the differences between monopolistic competition and perfect competition.

(b) "A firm under monopolistic competition may earn normal profit, supernormal profit or incur losses in the short-run." Explain the statement with the help of suitable diagrams.

UNIT—III

7. Answer any *four* of the following : $1 \times 4 = 4$

- (a) Does market failure arise due to externalities?
- (b) Give one example of public good.
- (c) What do you mean by negative externality?
- (d) "Market participation affected by asymmetric information is a condition of adverse selection." Write true or false.
- (e) What is marginal cost pricing?

8. Answer any *one* of the following : 2

- (a) Define public goods.
- (b) Give two examples of positive externalities.

9. Answer any *one* of the following : 8

- (a) Explain the characteristics of public good.
- (b) What is market failure? What are the sources of market failure? Explain.

$2+6=8$

UNIT—IV

10. Answer any *four* of the following : $1 \times 4 = 4$

- (a) What are the factors of production?
- (b) What is average physical productivity of a factor?
- (c) In perfect competition, $VMP > MRP$. Write true or false.
- (d) What is functional distribution?
- (e) Mention one assumption of factor pricing under perfect competition.

11. Answer any *one* of the following : 2

- (a) What is input market?
- (b) State the two conditions of equilibrium of factor market under perfect competition.

(6)

12. Answer any *one* of the following : 8

(a) What is factor pricing? Explain with the help of a diagram how factor price is determined under perfect competition.

3+5=8

(b) Explain briefly the determinants of the demand for a variable factor by an individual firm.

UNIT—V

13. Answer any *four* of the following : 1×4=4

(a) Who is the father of welfare economics?

(b) The 'compensation principle' was suggested by whom?

(c) What is Pareto optimality?

(d) What do you mean by ideal output?

(e) Is welfare economics a normative or positive study?

14. Answer any *one* of the following : 2

(a) What is welfare economics?

(b) What is value judgement?

(7)

15. Answer any *one* of the following : 8

(a) Discuss critically the Pigovian welfare condition.

(b) Explain briefly the social welfare function introduced by Prof. Bergson.
