

D 72454

(Pages : 3)

Name.....

Reg. No.....

**THIRD SEMESTER B.A. DEGREE EXAMINATION
NOVEMBER 2014**

(U.G.—CCSS)

Core Course—Economics

EC 3B 04—MICROECONOMICS—II

(2013 Admissions)

Time : Three Hours

Maximum : 30 Weightage

Answers may be written either in English or in Malayalam.

Part A (Objective Type Questions)

Answer all twelve questions.

Each question carries a weightage of ¼.

I. Multiple choice questions :

1 A firm in the perfect competitive market is a :

- (a) Price maker. (b) Price taker.
(c) An inefficient producer. (d) Risk bearer.

2 The slope of the MR curve in the monopoly market is :

- (a) Parallel to the horizontal axis. (b) Vertical to the horizontal axis.
(c) Linear and downward sloping. (d) Same as the AR curve.

3 The distinguishing feature of the monopolistic competition is :

- (a) Large number of buyers and sellers.
(b) Identical products.
(c) Selling cost.
(d) Product differentiation.

4 Kinked demand curve shows :

- (a) Price is the same in oligopoly.
(b) Price rigidity in oligopoly.
(c) Elastic demand curve under oligopoly.
(d) Acute competition among various sellers in Oligopoly.

Turn over

II. Fill in the blanks :

- 5 In the perfect competitive market there exists _____ profit in the long run.
- 6 The practice of selling the same product to different customers at different prices is called _____.
- 7 The marginal productivity theory of distribution is concerned with pricing.
- 8 The condition of equilibrium for the profit maximizing firms is _____ and _____ equality.

III. State True or False :

- 9 Under perfect competition in the long run total revenue equals total cost.
- 10 In monopoly market, equilibrium takes place at the falling portion of the AC curve.
- 11 In the Kinked demand curve model of Oligopoly when a firm raises price other firms also raise price.
- 12 Monopolistic competition is a form of imperfect competition.

(12 × ¼ = 3 weightage)

Part B (Short Answer Type Questions)

Answer all nine questions.

Each question carries a weightage of 1.

- 13 Distinguish between pure competition and perfect competition.
- 14 What are the conditions for price discrimination under monopoly ?
- 15 What do you mean by dumping ?
- 16 Why does selling cost exist in monopolistic competitive market ?
- 17 How is factor priced under conditions of perfect competition ?
- 18 What are the methods to control monopoly ?
- 19 Why is the demand curve perfectly elastic under perfect competition?
- 20 Explain the relationship between AR and MR curve in monopoly market.
- 21 Comment on the social cost of monopoly.

(9 × 1 = 9 weightage)

Part C (Short Essay or Paragraph Questions)

Answer any five out of seven.

Each question carries a weightage of 2.

- 22 What is the relevance of short period and long period under perfect competition ?
- 23 Briefly explain the three degrees of price discrimination under monopoly.
- 24 Compare and contrast perfect competition and monopoly.

- 25 Comment on the various types of Oligopoly.
- 26 What is the relevance of selling cost under monopolistic competition ?
- 27 State the salient features of demand curve for the firms for inputs.
- 28 What do you mean by the social cost of monopoly ?

(5 × 2 = 10 weightage)

Part D (Essays)

*Answer any two of the following.
Each question carries a weightage of 4.*

- 29 Explain the price determination of the firm under monopolistic competition with the help of a diagram.
- 30 What is the contribution of Paul M. Sweezy to Oligopoly pricing ? Why is price rigid under Oligopoly ?
- 31 Examine the salient features of input pricing and employment under perfect competition.

(2 × 4 = 8 weightage)

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**THIRD SEMESTER B.A. DEGREE (SUPPLEMENTARY/IMPROVEMENT)
EXAMINATION, NOVEMBER 2015**

(UG—CCSS)

Core Course—Economics

EC 3B 04—MICRO ECONOMICS—II

(Common for B.A. Economics, Development Economics and Foreign Trade)

Time : Three Hours

Maximum : 30 Weightage

Answers may be written either in English or in Malayalam.

I. Objective Type Questions. Answer all *twelve* questions.

1. In the perfect competitive market, output in the long run is :
 - (a) At the falling portion of the LAC.
 - (b) Increasing portion of the LAC.
 - (c) Optimum point of the LAC.
 - (d) Below the LAC.
2. The price that prevails in the very short period is called :
 - (a) Competitive price.
 - (b) Temporary price.
 - (c) Market price.
 - (d) Short run price.
3. The monopolist is :
 - (a) Price maker.
 - (b) Quantity fixer.
 - (c) Both price maker and quantity fixer.
 - (d) Fixing limit price.
4. The upper portion of the kinked demand curve under oligopoly is elastic because :
 - (a) A price rise by one firm will be followed by other firms.
 - (b) A price rise by one firm leads to price reduction by the competing firms.
 - (c) Output will be higher at higher prices.
 - (d) Demand for the product decreases at higher prices.

Turn over

Fill in the blanks :

5. Only normal profit exists in _____ market in the long run.
6. The monopolist faces a _____ sloping demand curve.
7. Product differentiation is a feature of the _____ market.
8. The kinked demand curve was developed by _____.

State whether True or False :

9. Under perfect competition, each seller is a price taker but can produce and sell any quantity of output.
10. The level of output in the monopoly market is less than the competitive market.
11. Under monopolistic competition, the AR curve is steeper than the Monopoly market.
12. Under oligopoly, a price rise will be followed by other firms.

(12 × ¼ = 3 weightage)

II. Short Answer Type Questions. Answer all *nine* questions.

13. Examine the features of monopoly market.
14. What are the social costs of monopoly ?
15. What is meant by product differentiation ?
16. What are the features of oligopoly ?
17. What is meant by selling cost ?
18. Why does the demand curve under oligopoly having two portions ?
19. What are the conditions of price discrimination under monopoly ?
20. Comment on input pricing in the competitive market.
21. What is meant by input pricing ?

(9 × 1 = 9 weightage)

III. Short Essay Questions. Answer any *five*.

22. What are the features of perfect competition ?
23. Examine the various types of oligopoly pricing.
24. Comment on product pricing in monopoly market.

25. Comment on the market demand curve for an input and its elasticity.
26. What are the methods to regulate monopoly ?
27. Examine the various degrees of price discrimination.
28. Comment on the AR and MR curves in the monopolistic competitive market.

(5 × 2 = 10 weightage)

IV. Essay Questions. Answer any *two* of the following :

29. Examine the kinked demand curve model of oligopoly.
30. Define monopolistic competition. How are prices determined in the competitive market ?
31. How are prices determined in the perfect competitive market in the market period, short run and long run ?

(2 × 4 = 8 weightage)