

C 43000

(Pages : 4)

Name.....

Reg. No.....

SECOND SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION**APRIL 2023**

Economics

ECO 2B 02—MICRO ECONOMICS—II

(2017—2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

*Answers may be either in English or in Malayalam.***Part A***Answer all twelve questions.**Each question carries ½ mark.*

1. According to the Cournot model, a firm will :
 - a) Assume that rival firms will keep their production constant.
 - b) Produce the quantity where marginal revenue equals marginal cost.
 - c) Respond to changes in production by rival firms by adjusting its production.
 - d) All of the above are correct.
2. Which of the following short-run cost curves declines continuously ?
 - a) Average total cost.
 - b) Marginal cost.
 - c) Average fixed cost.
 - d) Average variable cost.
3. In the long run, equilibrium in perfect competition is denoted by :
 - a) Price = average cost = marginal cost.
 - b) Price = average cost = total cost.
 - c) Price = marginal revenue = total cost.
 - d) Total revenue = total variable cost.
4. Under monopoly the slope of AR curve is:
 - a) Upward sloping.
 - b) Downward sloping.
 - c) Horizontal.
 - d) None of these.

Turn over

5. A multi-plant monopolist maximizes his profit at the point where :
- a) $MR = MC_1$.
 - b) $MR = MC_2$.
 - c) $MR_1 = MR_2$.
 - d) $MR = MC_1 = MC_2$.
6. Kinked demand curve explain which of the following features of oligopoly :
- a) Selling cost.
 - b) Price rigidity.
 - c) Non price competition.
 - d) Product differentiation.
7. Market equilibrium refers to a situation in which market price :
- a) Is high enough to allow firms to earn a fair profit.
 - b) Is low enough for consumers to buy all that they want.
 - c) Is at a level where there is neither a shortage nor a surplus.
 - d) Is just above the intersection of the market supply and demand curves.
8. Which of the following is a variable cost ?
- a) Interest payments.
 - b) Raw materials costs.
 - c) Property taxes.
 - d) All of these.
9. When the marginal product of labour is greater than the average product of labour :
- a) The average product of labour is increasing.
 - b) The firm is experiencing diminishing returns.
 - c) The total product curve is negatively sloped.
 - d) The firm is experiencing constant returns.
10. If a firm sells its output on a market that is characterized by many sellers and buyers, a differentiated product, and unlimited long-run resource mobility, then the firm is :
- a) A monopolist.
 - b) An oligopolist.
 - c) A perfect competitor.
 - d) A monopolistic competitor.
11. Product differentiation is a defining characteristic of :
- a) Perfectly elastic demand.
 - b) Perfect competition.
 - c) Oligopoly.
 - d) Monopolistic competition.

12. The Marginal Revenue Product is usually :
- Upward sloping due to the law of demand.
 - Upward sloping due to the law of marginal utility.
 - Downward sloping due to the law of diminishing returns.
 - Downward sloping due to the law of supply.

(12 × ½ = 6 marks)

Part B (Very Short Answer Type Questions)

Answer any ten questions.

Each question carries 2 marks.

- What is meant by break-even point ?
- Define sunk cost.
- Distinguish between AVC and AFC.
- What are the important features of a monopoly market ?
- What is Dumping ?
- What is bilateral monopoly ?
- What is meant by barometric price leadership ?
- Explain the concept of tying and bundling.
- What is Monopsony ?
- Briefly explain the Lerner index.
- What you meant by social cost of monopoly ?
- What is Lump sum tax ?

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

Answer any six questions.

Each question carries 5 marks.

- What are the important measures to control monopoly power ?
- Explain the first, second and third degree of price discrimination.

Turn over

27. Critically evaluate the Cournot's model.
28. Derive the demand curve of the firm for one variable input in perfect competition.
29. Distinguish between collusive and non-collusive oligopoly.
30. Explain the short run equilibrium of a firm in monopoly.
31. Explain the long run price and output determination in a multi-plant monopoly?
32. Distinguish between the centralized cartel and market sharing cartel.

(6 × 5 = 30 marks)

Part D (Essay Questions)

Answer any two questions.

Each question carries 12 marks.

33. Elucidate the significance and use of kinked demand curve.
34. Explain the short run and long run equilibrium of a firm in monopolistic competition.
35. Prepare a sketch on oligopolistic market model.
36. Explain the market demand and supply curve for input pricing.

(2 × 12 = 24 marks)

C 4231

(Pages : 4)

Name.....

Reg. No.....

**SECOND SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION
APRIL 2021**

Economics

ECO 2B 02—MICRO ECONOMICS—II

Time : Three Hours

Maximum : 80 Marks

*Answer may be either in English or in Malayalam.***Part A***Answer all twelve questions.**Each question carries ½ mark.*

1. If a firm sells its output on a market that is characterized by few sellers and many buyers and limited long-run resource mobility, then the firm is :
 - a) A monopolist.
 - b) An oligopolist.
 - c) A perfect competitor.
 - d) A monopolistic competitor.
2. Which of the following is an implicit cost ?
 - a) Depreciation in the value of a company-owned car as it wears out.
 - b) The salary earned by a corporate executive.
 - c) Property taxes.
 - d) None of these.
3. In perfect competition :
 - a) The price charged by a firm equals the marginal revenue.
 - b) The price charged by a firm equals the average variable cost.
 - c) The fixed cost equals the variable costs.
 - d) The price charged by a firm equals the total costs.
4. Price discrimination is an essential feature of :
 - a) Perfect competition.
 - b) Oligopoly.
 - c) Duopoly.
 - d) Monopoly.

Turn over

5. Which of the following is a form of international price discrimination ?
- a) Dumping.
 - b) Bundling.
 - c) Discounting.
 - d) Off loading.
6. Which of the following short-run cost curves declines continuously ?
- a) Average total cost.
 - b) Marginal cost.
 - c) Average fixed cost.
 - d) Average variable cost.
7. Which of the following forms of market organization assumes that entry and exit of firms is costless ?
- a) Differentiated oligopoly.
 - b) Duopoly.
 - c) Monopolistic competition.
 - d) Pure oligopoly.
8. Short-run average variable cost is equal to :
- a) Total variable cost divided by output.
 - b) Average total cost minus average fixed cost.
 - c) The cost per unit of the variable input divided by the average product of the variable input.
 - d) All of the above.
9. For a perfectly competitive firm :
- a) Total revenue is a straight line.
 - b) Price is greater than marginal revenue.
 - c) Price equals total revenue.
 - d) Price equals total cost.
10. The U shape of the LAC reflects :
- a) Law of Variable proportions.
 - b) Laws of returns to scale.
 - c) Law of demand.
 - d) None of these.
11. Which of the following is a form of collusive oligopoly ?
- a) Bilateral monopoly.
 - b) Monopoly.
 - c) Cartel.
 - d) Kinked Oligopoly.

12. Under the dominant-firm price leadership model :
- All firms but the dominant firm are price takers.
 - The dominant firm acts as the residual monopolistic supplier.
 - The demand curve faced by the dominant firm is flatter than the market demand curve.
 - All of the above are correct.

(12 × ½ = 6 marks)

Part B (Very Short Answer Type Questions)

Answer any ten questions.

Each question carries 2 marks.

- What is meant by shut down point ?
- Define opportunity cost ?
- Distinguish between fixed cost and variable cost.
- What are the important features of a perfectly competitive market ?
- What is Lerner index ?
- What is tying and bundling ?
- Explain the idea of peak load pricing.
- Briefly explain 'selling cost' with suitable examples.
- What is meant by factor market ?
- What is sunk cost ?
- Prepare a note on 'L' shaped cost curves.
- Examine the features of kinked demand curve.

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

Answer any six questions.

Each question carries 5 marks.

- What are the important sources of monopoly power ?
- Explain the different degrees of price discrimination.

Turn over

27. Examine the marginal productivity theory of input demand.
28. Examine the features of cartel and price leadership.
29. Distinguish between collusive and non-collusive oligopoly.
30. Explain the short run equilibrium of a firm in perfect competition.
31. What are the important remedial measures for the regulation of monopoly power ?
32. Distinguish between monopsony and bilateral monopoly.

(6 × 5 = 30 marks)

Part D (Essay Questions)

Answer any two questions.

Each question carries 12 marks.

33. Elucidate the long run and short run equilibrium of a firm in monopoly.
34. Explain the factor market equilibrium in a competitive market and imperfect market.
35. Elaborate the equilibrium of a firm in an oligopolistic market.
36. Explain the following :
 - a) AVC ;
 - b) ATC ;
 - c) AFC ;
 - d) Social cost ;
 - e) Economic cost ; and
 - f) Accounting cost.

(2 × 12 = 24 marks)

C 81865

(Pages : 3)

Name.....

Reg. No.....

SECOND SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, APRIL 2020

Economics

ECO 2B 02—MICRO ECONOMICS—II

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer all questions.

Each question carries ½ mark.

1. The cost incurred to alter the position or the shape of the demand curve for a product is called :
 - a) Real cost.
 - b) Production cost.
 - c) Selling cost.
 - d) Implicit cost.
2. A point of 'kink' in the kinked demand curve indicate :
 - a) Price rigidity.
 - b) Quantity rigidity.
 - c) Price flexibility.
 - d) Both price and quantity rigidity.
3. Under Perfect Competition, the average revenue curve will be :
 - a) Perfectly elastic.
 - b) Perfectly inelastic.
 - c) Less elastic.
 - d) More elastic.
4. Excess capacity is not found in which of the following market structure :
 - a) Monopoly.
 - b) Monopolistic Competition.
 - c) Oligopoly.
 - d) Perfect Competition.
5. Identify the main characteristic of Oligopoly :
 - a) Sufficiently large sellers.
 - b) One seller.
 - c) Few sellers.
 - d) Too large sellers.
6. Which of the following cost curve is not U shaped ?
 - a) AFC.
 - b) LAC.
 - c) SAC.
 - d) AVC.

Turn over

7. The demand curve facing the pure Monopolist is :
- a) Horizontal.
 - b) Negatively sloped.
 - c) Positively sloped.
 - d) Vertical.
8. The Lerner's Index of monopoly power has a value ;
- a) Zero.
 - b) One.
 - c) Between zero and unity.
 - d) Two.
9. Marginal Productivity theory is based on the assumption of :
- a) Perfect competition.
 - b) Pure competition.
 - c) Monopoly.
 - d) Oligopoly.
10. Under Monopolistic Competition, products of the firm are :
- a) Heterogeneous.
 - b) Homogeneous.
 - c) Differentiated.
 - d) Luxuries.
11. Economic rent is earned by a factor when its :
- a) Supply is elastic.
 - b) Supply is inelastic.
 - c) Supply is more than demand.
 - d) Demand is more than supply.
12. OPEC is an example of :
- a) Cartel.
 - b) Price leader.
 - c) Bilateral monopoly.
 - d) Monopsony.

(12 × ½ = 6 marks)

Part B (Very Short Answer Questions)

Answer any ten questions.

Each question carries 2 marks.

13. Define duopoly.
14. What do you mean by price discrimination ?
15. What is meant by barometric price leadership ?
16. Define market.
17. Write a note on Monopsony.

18. Explain kinked demand curve.
19. What is meant by envelope curve ?
20. Define social cost.
21. Define derived demand.
22. Explain selling cost
23. Explain the nature of demand curve in a perfect competitive market.
24. What do you mean by peakload pricing ?

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

Answer any six questions.

Each question carries 5 marks.

25. Write a note on product differentiation
26. What are the important features of Monopoly market structure ?
27. Explain about demand of a firm for a single variable factor in perfectly competitive market.
28. Why the long run average cost is U shaped ?
29. Explain the Cournot duopoly model.
30. How the factor price is determined under monopsony market situation ?
31. Analyse the conditions of long run equilibrium of industry under perfect competition.
32. What are the characteristic features of Oligopoly market structure ?

(6 × 5 = 30 marks)

Part D (Essay Questions)

Answer any two questions.

Each question carries 12 marks.

33. Explain the price and output determination under Monopoly market structure.
34. Critically examine the modern theory of Cost. Explain the superiority of modern theory over traditional theory of costs ?
35. Explain Sweezy's kinked demand curve model of Oligopoly.
36. Critically explain the Marginal Productivity Theory of Distribution.

(2 × 12 = 24 marks)

C 62664

(Pages : 4)

Name.....

Reg. No.....

**SECOND SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION
MAY 2019**

B.A. Economics

ECO 2B 02—MICRO ECONOMICS—II

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

*Answer all questions.
Each question carries ½ mark.*

1. Economic rent is earned by a factor when its :
 - (a) Supply is inelastic.
 - (b) Supply is elastic.
 - (c) Supply is more than demand.
 - (d) Demand is more than supply.
2. If demand for a product falls, the demand curve for labour used to produce the product will shift.
 - (a) Downward.
 - (b) Rightward.
 - (c) Upward.
 - (d) Leftward.
3. Quasi rent is the income derived from :
 - (a) Free gifts of nature.
 - (b) Agricultural products.
 - (c) Man made machines and appliances.
 - (d) All the above
4. Which of the markets have the feature of high advertising cost ?
 - (a) Pure competition.
 - (b) Perfect competition.
 - (c) Monopolistic competition.
 - (d) Monopoly.
5. Each firm assumes the rival's output as being constant under :
 - (a) Cournot model.
 - (b) Edgeworth model.
 - (c) Bertrand model.
 - (d) None of these.

Turn over

6. The author of the book "The Theory of Monopolistic Competition" is :
- (a) J. Rhicks. (b) P. A. Samuelson.
(c) John Robinson. (d) E. H. Chamberlin.
7. In which of the following market structure, entry barriers are the highest ?
- (a) Perfect Competition. (b) Oligopoly.
(c) Monopolistic Competition. (d) Monopoly.
8. The Lerner's index of monopoly power has a value :
- (a) Zero. (b) One.
(c) Between zero and unity. (d) Two.
9. An example of implicit cost is :
- (a) Expenditure on advertisement. (b) Interest for own capital.
(c) Wages for hiring labour. (d) Cost of raw materials.
10. Monopsony is a market situation characterised by :
- (a) Single buyer and single seller. (b) Single seller.
(c) Many buyers and a single seller. (d) Single buyer.
11. In Perfect Competition, the firm is a :
- (a) Price giver. (b) Price maker.
(c) Price fixer. (d) Price taker.
12. A firm's shut down point is reached when ?
- (a) AR fails to cover ATC. (b) AR fails to cover AVC.
(c) AR fails to cover MC. (d) MR fails to cover MC.

(12 × ½ = 6 marks)

Part B (Very Short Answer Questions)

*Answer any ten questions.
Each question carries 2 marks.*

13. Define marginal cost.
14. What is envelope curve ?
15. Explain profit maximisation.
16. Define market.
17. What is dumping ?
18. What do you mean by imperfect competition ?
19. Explain Bilateral Monopoly.
20. What is meant by price leadership ?
21. Write a note on kinked demand curve.
22. Define profit.
23. Explain about factors of production.
24. Explain equilibrium price.

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

*Answer any six questions.
Each question carries 5 marks.*

25. Distinguish between marginal revenue product and value of marginal product.
26. Write a note on product differentiation.
27. What are the important features of monopolistic competition ?
28. What are the important sources of monopoly ?
29. Briefly explain about the supply curve of a firm and industry under perfect competition.
30. Distinguish between pure competition and perfect competition.
31. Elucidate the relationship between marginal cost and average cost.
32. Why the long run average cost is U shaped ?

(6 × 5 = 30 marks)

Turn over

Part D (Essay Questions)

Answer any two questions.

Each question carries 12 marks.

33. Explain price and output determination process under Perfect Competition in short run and long run.
34. How the factor price is determined in the competitive factor market ? Explain.
35. Compare Perfect Competition and Monopoly market structures.
36. Explain different forms of price leadership under Oligopoly.

(2 × 12 = 24 marks)

D 43268

(Pages : 4)

Name.....

Reg. No.....

SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2018

(CUCBCSS—UG)

Economics

ECO 2B 02—MICRO ECONOMICS—II

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer all questions.

Each question carries ½ mark.

1. In a perfectly competitive market the demand curve for labour :
 - (a) Slopes upward.
 - (b) Slopes downward because of diminishing marginal productivity.
 - (c) Is perfectly elastic at the equilibrium wage rate.
 - (d) None of these.
2. While analysing the marginal productivity theory of distribution, Clark gave more emphasis on :
 - (a) Demand for labour.
 - (b) Supply of labour.
 - (c) Both demand as well as supply of labour.
 - (d) Profit maximisation.
3. Quasi rent was the concept of :
 - (a) Adam Smith.
 - (b) Ricardo.
 - (c) Pigou.
 - (d) Marshall.
4. Under monopolistic competition goods produced are :
 - (a) Heterogeneous.
 - (b) Homogeneous.
 - (c) Differentiated.
 - (d) Luxuries.
5. Identify the main characteristic of Oligopoly :
 - (a) Sufficiently large sellers.
 - (b) One seller.
 - (c) Few sellers.
 - (d) Too large sellers.

Turn over

6. A market in which there are only two buyers for a commodity is called :
- (a) Duopoly. (b) Duopsony.
(c) Oligopoly. (d) Oligopsony.
7. In which market situation does a monopolist charge uniform price from all consumers :
- (a) Pure monopoly. (b) Discriminatory monopoly.
(c) Duopoly. (d) Monopsony.
8. If the individual demand curve is horizontal to X-axis, then :
- (a) The firm is a price maker.
(b) The firm is a price taker.
(c) Marginal revenue is equal to average cost.
(d) The distinction between firm and industry disappears.
9. OPEC is an example of :
- (a) Cartel. (b) Price leader.
(c) Bilateral monopoly. (d) Monopsony.
10. Dumping implies :
- (a) The same price in home and foreign market.
(b) A higher price in the foreign market and lower price in the home market.
(c) A higher price in the home market and lower price in the foreign market.
(d) All the above.
11. The distinction between firm and industry disappears under :
- (a) Oligopoly. (b) Duopoly.
(c) Monopoly. (d) Contestable market.
12. 'The social cost of producing guns is the amount of butter foregone'. This is called :
- (a) Opportunity cost. (b) Explicit cost.
(c) Implicit cost. (d) Social cost.

(12 × ½ = 6 marks)

Part B (Very Short Answer Questions)

Answer any ten questions.

Each question carries 2 marks.

13. Define Social Cost.
14. Explain about market sharing cartels.
15. Explain natural monopoly.
16. What do you mean by price leader ?
17. What is meant by peakload pricing ?
18. What is meant by factor pricing ?
19. Define Duopoly.
20. Explain about horizontal demand curve.
21. Explain economic rent.
22. Explain implicit cost.
23. Define price discrimination.
24. What makes monopoly different from monopolistic competition ?

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

Answer any six questions.

Each question carries 5 marks.

25. What are the important types of price discrimination ?
26. Differentiate between variable cost and fixed cost.
27. Explain about demand of a firm for a single variable factor in perfectly competitive market.
28. What are the important features of Oligopoly market ?
29. Analyse the conditions of long run equilibrium of industry under perfect competition.
30. Explain the marginal productivity theory of distribution.
31. Explain the modern approach to the theory of costs.
32. Examine various types of price leadership.

(6 × 5 = 30 marks)

Turn over

Part D (Essay Questions)

Answer any two questions.

Each question carries 12 marks.

33. Examine the price and output determination under monopoly market condition.
34. Briefly explain about the process of equilibrium in a perfectly competitive factor market.
35. Explain Sweezy's kinked demand curve model of Oligopoly.
36. Comment on the predictions of the perfect competitive model in the following situations :
 - (a) A shift in market demand.
 - (b) A shift in the costs following changes in factor prices.
 - (c) Imposition of a tax by the Government.

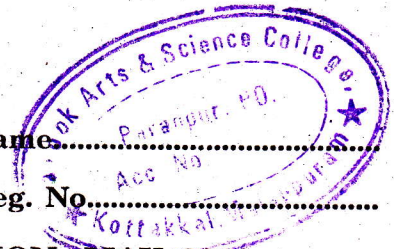
(2 × 12 = 24 marks)

C 5656

(Pages : 4)

Name.....

Reg. No.....



SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2016

(CUCBCSS—UG)

Core Course—Economics

ECO 2B 02—MICROECONOMICS—II

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer all twelve questions.

1. The opportunity cost of the inputs that do not require a monetary payment is :
 - (a) Accounting cost.
 - (b) Implicit cost.
 - (c) Explicit cost.
 - (d) Economic cost.
2. The positively sloped portion of the marginal cost curve is the result of :
 - (a) Increasing returns.
 - (b) Constant Returns.
 - (c) Diminishing Returns.
 - (d) Constant Variable cost.
3. Economic profit is the difference between total revenue and _____.
 - (a) Explicit Cost.
 - (b) Implicit cost.
 - (c) Accounting cost.
 - (d) Economic cost.
4. The price that is equal to the minimum average variable cost of the firm is called :
 - (a) Break – Even price.
 - (b) Equilibrium Price.
 - (c) Shut Down Price.
 - (d) No Loss-No Profit Price.
5. The allocative efficiency under perfect competition is attained when :
 - (a) Producer's surplus is maximum.
 - (b) Consumers' Surplus is Maximum.
 - (c) Producers' Surplus exceeds Consumers'.
 - (d) Sum of Consumers' and Producers' Surplus is maximum.

Turn over

6. Under which of the following conditions a perfect competitive firm will be in equilibrium ?
- (a) $SRMC = P$.
 - (b) $SRATC = P$.
 - (c) When it produces at the minimum point on its LRAC.
 - (d) All the above.
7. A firm is said to be a price searcher if its demand curve is a :
- (a) Horizontal.
 - (b) Vertical.
 - (c) Upward sloping.
 - (d) Downward sloping from left to right.
8. Which among the following markets enjoys maximum barriers to entry ?
- (a) Perfect Competition.
 - (b) Monopolistic competition.
 - (c) Monopoly.
 - (d) Oligopoly.
9. Product differentiation is the feature of which of the following markets ?
- (a) Monopoly.
 - (b) Monopolistic competition.
 - (c) Duopoly.
 - (d) Monopsony.
10. Which of the following is a derived demand ?
- (a) Demand for I-Phone.
 - (b) Demand for an Apple.
 - (c) Demand for Steve Job's Biography.
 - (d) Demand for labour by Apple company.
11. A market within which there are only few buyers is :
- (a) Monopsony.
 - (b) Ologopsony.
 - (c) Oligopoly.
 - (d) Monopoly.
12. The practice of charging each customer his or her reservation price is called price discrimination of:
- (a) First degree.
 - (b) Third Degree.
 - (c) Second Degree.
 - (d) Intertemporal.

(12 × ½ = 6 marks)

Part B (Very Short Answer Type Questions)

Answer any ten questions.

13. What is meant by peak load pricing ?
14. What do you mean by Monospony ?
15. Why do the long run average cost curve is L-shaped ?
16. What is producers' surplus ?
17. What is meant by degree of monopoly power ?
18. Distinguish between traditional and modern SAVC curves.
19. What is sunk cost ?
20. Write a note on Kinked Demand Curve ?
21. What is derived demand ?
22. What is mark-up pricing ?
23. What is meant by cartels ?
24. What do you mean by Economic rent of an input ?

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

Answer any six questions.

25. Explain the economies and dis-economies of scale.
26. Briefly explain the marginal productivity theory of wage determination.
27. Explain the degrees of price discrimination by monopoly.
28. Explain the characteristics of Oligopoly market.
29. Explain the conditions of equilibrium in a perfect competitive factor market.
30. Discuss the measures to prevent the rising of monopoly power in a market.
31. Explain the price leadership model of Oligopoly.
32. Explain the effects of Advertising in the monopolistic competition.

(6 × 5 = 30 marks)

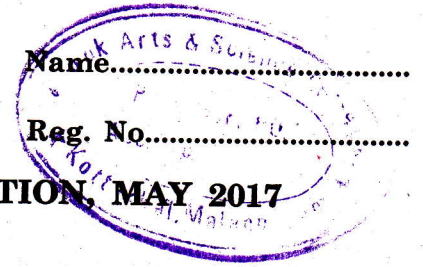
Turn over

Part D (Essay Questions)

Answer any two questions.

33. Explain the long run equilibrium of firm and industry under perfect competition.
34. Explain about short run and long run cost curves.
35. Explain the Price and Output determination in a collusive oligopoly.
36. Explain factor price determination under perfect competitive market.

(2 × 12 = 24 marks)



SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2017

(CUCBCSS—UG)

Core Course—Economics

ECO 2B 02—MICRO ECONOMICS—II

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam

Part A

Answer all twelve questions.

Each question carries ½ mark.

1. The shape of an average fixed cost curve is :

(a) U shape.	(b) L shape.
(c) Saucer Shape.	(d) Rectangular Hyperbola.
2. Which of the following curve is also known as 'Planning Curve' ?

(a) SAC.	(b) LAC.
(c) AVC.	(d) LAVC.
3. Which of the following curve accommodates the reserve capacity of the firm ?

(a) SAVC.	(b) SAFC.
(c) SFC.	(d) SRAC.
4. Block Pricing is an example of which type of price discrimination :

(a) First degree.	(b) Second Degree.
(c) Third Degree.	(d) All the above.
5. Pricing intended to drive out competitors out of the market and to discourage new entrants is called :

(a) Predatory Pricing.	(b) Block pricing.
(c) Peak load pricing.	(d) Inter-temporal pricing.
6. A market where there is only one seller and one buyer is :

(a) Monopsony.	(b) Duopoly.
(c) Oligopsony.	(d) Bilateral Monopoly.

Turn over

7. Lerner's Index is used to measure :
- (a) Inflation. (b) Monopoly power.
(c) Terms of Trade. (d) Cost of Living.
8. Which of the following is not a feature of a perfect competitive market ?
- (a) No Transport Cost.
(b) No Restriction on entry into market.
(c) Selling costs.
(d) Price taker.
9. Cartels are usually formed by firms in which of the following markets :
- (a) Monopolistic Competition. (b) Perfect Competition.
(c) Pure Competition. (d) Oligopoly.
10. In a perfect competitive market, the market demand for good X in the industry is :
- (a) A vertical line. (b) A Horizontal Straight line.
(c) An upward sloping curve. (d) A Hyperbola.
11. The marginal cost (MC) curve intersects the
- (a) ATC and AFC curves at their minimum points.
(b) TC and AFC curves at their minimum points.
(c) ATC and AVC curves at their minimum points.
(d) ATC, AVC, and AFC curves at their minimum points.
12. A monopolistically competitive firm is able to influence the price of what it sells because of :
- (a) Barriers to entry. (b) Economies of scale.
(c) Inelastic demand. (d) Product differentiation.

(12 × ½ = 6 marks)

Part B (Very Short Answer Type Questions)

Answer any ten questions.

Each question carries 2 marks.

13. What is meant by Envelop Curve ?
14. Distinguish between pure competition and perfect competition.
15. Write a note on short run cost curves.
16. What is meant by duopoly ?
17. What is dumping ?
18. What are the features of an oligopolistic market ?

19. What is meant by price discrimination ?
20. What is Kinked Demand Curve ?
21. What is Marginal Revenue Product ?
22. Distinguish between explicit cost and implicit costs ?
23. What is meant by cartels ?
24. What do you mean by Economic rent of an input ?

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

*Answer any six questions.
Each question carries 5 marks.*

25. Explain about various types of long run costs curves.
26. Briefly the product exhaustion theorem.
27. Explain the market demand curve for inputs.
28. Explain the price leadership model of oligopoly.
29. Explain the features of monopolistic competition.
30. Discuss the measures to regulate the monopoly.
31. Distinguish between Monopsony and Monopoly ?
32. Briefly explain the Cournot's Model of Duopoly.

(6 × 5 = 30 marks)

Part D (Essay Questions)

*Answer any two questions.
Each question carries 12 marks.*

33. Explain how a multi-plant monopolist firm makes its output decisions.
34. Explain the nature of short run and long run cost curves.
35. Explain the Price and Output determination in collusive oligopoly.
36. Explain the determination of wage under perfect competition.

(2 × 12 = 24 marks)

C 83037

(Pages : 4)

Name.....

Reg. No.....

SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2015

(CUCBCSS—UG)

Core Course—Economics

ECO 2B 02—MICRO-ECONOMICS—II

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer all twelve questions.

1. In the long run, a monopolistically competitive firm will produce the output where price equals :
 - (a) Marginal cost.
 - (b) Average total cost.
 - (c) Marginal revenue.
 - (d) Average variable cost.
2. The positively sloped portion of the marginal cost curve is the result of :
 - (a) Increasing returns.
 - (b) Constant Returns.
 - (c) Diminishing Returns.
 - (d) Constant Variable cost.
3. In the long run, a monopolistically competitive firm will earn the same economic profit as :
 - (a) A price-discriminating monopolist.
 - (b) A single-price monopoly.
 - (c) A monopolistically competitive firm in the short run.
 - (d) A perfectly competitive firm.
4. The price that is equal to the minimum average variable cost of the firm is called :
 - (a) Break-Even price.
 - (b) Equilibrium Price.
 - (c) Shut Down Price.
 - (d) No Loss-No Profit Price.
5. The allocative efficiency under perfect competition is attained when :
 - (a) Producer's surplus is maximum.
 - (b) Consumer's Surplus is Maximum.
 - (c) Producer's Surplus exceeds Consumers.
 - (d) Sum of Consumers' and Producers' Surplus is maximum.

Turn over

6. Under which of the following conditions a perfect competitive firm will be in equilibrium :
- (a) $SRMC = P$.
 - (b) $SRATC = P$.
 - (c) When it produces at the minimum point on its LRAC.
 - (d) All the above.
7. A firm is said to be a price searcher if its demand curve is a :
- (a) Horizontal.
 - (b) Vertical.
 - (c) Upward sloping.
 - (d) Downward sloping from left to right.
8. For a monopolistically competitive firm to be earning positive economic profit :
- (a) The production period must be the long run.
 - (b) The production period must be the short run.
 - (c) Rival firms must not exist.
 - (d) Barriers to entry must exist.
9. Product differentiation is the feature of which of the following markets ?
- (a) Monopoly.
 - (b) Monopolistic competition.
 - (c) Duopoly.
 - (d) Monopsony.
10. Which of the following is a derived demand ?
- (a) Demand for I-Phone.
 - (b) Demand for an Apple.
 - (c) Demand for Steve Job's Biography.
 - (d) Demand for labour by Apple company.
11. A market with in which there are only few buyers is :
- (a) Monopsony.
 - (b) Ologopsony.
 - (c) Oligopoly.
 - (d) Monopoly.
12. Zero economic profit in monopolistically competitive industries can be caused by :
- (a) Barriers to entry.
 - (b) The lack of significant barriers to the entry of rival firms.
 - (c) Failure to accept worthwhile risks.
 - (d) The existence of excess capacity.

(12 × ½ = 6 marks)

Part B

Very Short Answer Type Questions.

*Answer any **ten** Questions.*

13. Write a note on modern cost curves.
14. What is meant by duopoly ?
15. What are the degrees of price discrimination ?
16. What do you mean by reserve capacity of firms ?
17. What is meant by opportunity cost ?
18. Distinguish between economic cost and accounting cost.
19. What are the features of Perfect Competition ?
20. Write a note on Kinked Demand Curve.
21. What is derived demand ?
22. What is monopsony ?
23. Write a note on the dominant firm model of price leadership.
24. What do you mean by Economic rent of an input ?

(10 × 2 = 20 marks)

Part C

Short Essay Questions.

*Answer any **six** questions.*

25. Explain the features of Monopolistic Competition
26. Briefly explain Cournot's duopoly model.
27. Explain the nature of AR and MR curves faced by a monopoly.
28. Explain the important instances of market failure.
29. Explain the equilibrium conditions of monopoly market.
30. Explain the short run equilibrium conditions of monopolistic competition.
31. Explain the marginal productivity theory of factor price determination.
32. Explain the effects of advertising on profit in monopolistic competition.

(6 × 5 = 30 marks)

Turn over

Part D

Essay Questions.
Answer any two questions.

33. Explain the Equilibrium conditions under Monopolistic Competition.
34. Explain about various types of short run and long run cost curves.
35. Explain the price and output determination by cartels in oligopoly.
36. Explain factor price determination in monopoly market.

(2 × 12 = 24 marks)