

SECOND SEMESTER BA DEGREE EXAMINATION, APRIL 2023
(Regular/Improvement/Supplementary)

ECONOMICS
GECO2B02T: MICROECONOMICS - II

Time: 2 ½ Hours

Maximum Marks: 80

SECTION A: Answer the following questions. Each carries *two* marks.
(Ceiling 25 Marks)

1. What are the different goals of the firm?
2. Comment on market period.
3. Write a note on increasing cost industry.
4. What is meant by productive efficiency.
5. What is herfindahl index.
6. What are the major shortcomings in using the Lerner index as a measure of the firm's monopoly power?
7. Distinguish between simple and discriminating monopoly.
8. Explain second degree price discrimination.
9. Distinguish between pure and differentiated oligopoly.
10. Monopolistic competition has highly elastic demand curve than monopoly. Why?
11. The monopsonist usually faces the positively sloped market supply curve for the input. Why?
12. Why is it difficult or impossible to define the market demand curve, the market supply curve, and the equilibrium price under monopolistic competition?
13. Give an account on value of Marginal Product.
14. What is input pricing?
15. What do you understand by centralised cartel?

SECTION B: Answer the following questions. Each carries *five* marks.
(Ceiling 35 Marks)

16. Why do economists identify four different types of market organization?
17. Is super normal profit possible for a firm under perfect competition? Give reasons.
18. When does a firm reach its most efficient size?
19. What happens when tax is imposed on monopolist?
20. What is dumping? Explain different forms of dumping.
21. What is the purpose of product differentiation? How does it affect the demand curve of a monopolistic competitive firm?
22. Graphically explain how supply curve of labour is derived under perfect competition.
23. Explain how the demand curve of the firm for several variable inputs are derived.

(PTO)

SECTION C: Answer any two questions. Each carries ten marks.

24. What is a perfectly competitive market structure? How does a firm attain equilibrium both in short-run and long-run under perfect competition?
25. The short-run equilibrium output of the monopolist is the output at which either total profits are maximized or total losses minimized.
26. Explain the process by which price and output are determined under kinked demand curve model.
27. The price of an input is determined, just as the price of a final commodity, by the interaction of the market demand and supply. Explain.

(2 x 10 = 20 Marks)