

FOURTH SEMESTER B.Sc. DEGREE EXAMINATION, APRIL 2023**(Regular/Improvement/Supplementary)****ECONOMICS & MATHEMATICS (DOUBLE MAIN)****GDEC4B05T: MICRO ECONOMICS II****Time: 2 ½ Hours****Maximum Marks: 80****SECTION A: Answer the following questions. Each carries *two* marks.****(Ceiling 25 Marks)**

1. What is Pareto improvement?
2. Differentiate firm and industry.
3. In a competitive market $AR=MR$. Why?
4. What is marginal rate of transformation (MRT)?
5. What is meant by general equilibrium analysis?
6. Define Nash equilibrium.
7. Comment on Kinked demand curve.
8. What are the characteristics of monopolistic competition?
9. How does tying differ from bundling?
10. What are the assumptions of Cournot model?
11. Define derived demand.
12. Write a note on factors of production.
13. What is Economic rent.
14. What do you mean by negative externality?
15. Write an account on Moral hazard.

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

16. Distinguish between pure competition and perfect competition.
17. A competitive firm has a cost function given by $C = 10q^2 + 1000$. What is its supply curve?
18. What are the implications of Prisoner's dilemma in oligopolistic pricing?
19. 'First degree price discrimination is pareto optimal.' Comment.
20. Explain Bertrand model.
21. For a monopsonist, what is the relationship between the supply of an input and the marginal expenditure on it?
22. Why a labour supply curve is backward bending?
23. What are the attributes of public good?

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

24. Explain collusive oligopoly models.
25. Elaborate the criteria of social welfare in the context of pareto optimality.
26. Describe the equilibrium in competitive factor market.
27. What is meant by asymmetric information? What are its implications?

(2 × 10 = 20 Marks)