

**FOURTHSEMESTERB.Sc. DEGREE EXAMINATION, APRIL2024****(Regular/Improvement/Supplementary)****ECONOMICS & MATHEMATICS (DOUBLE MAIN)****GDEC4B05T: MICRO ECONOMICS II****Time: 2 ½ Hours****MaximumMarks: 80****SECTION A: Answer the following questions. Each carries *two* marks.****(Ceiling 25 Marks)**

1. What is meant by market failure?
2. Comment on information asymmetry.
3. Define 'breakeven point'.
4. State dominant strategy in game theory.
5. Describe the conditions under which a perfectly competitive firm maximizes profit in the short run.
6. What is meant by Pareto efficiency?
7. Define a collusive oligopoly.
8. Distinguish between positive and negative externality.
9. What is meant by derived demand?
10. Define monopsony.
11. What do you understand by moral hazard?
12. Comment on Nash equilibrium.
13. Explain the concept of signalling in auction theory.
14. What is meant by Non-price competition?
15. Write a short note on quasi-rent.

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

16. Describe the relationship between the shutdown point, marginal cost, and average variable cost for a firm in perfect competition.
17. Define the non-rivalry and non-excludability character of a public good with suitable examples.
18. Analyze the conditions for profit maximization in a perfectly competitive market.
19. Define price discrimination and provide examples of different types of price discrimination observed in your daily life.
20. Discuss the shape of the demand curve in the kinked demand model and the rationale behind it.
21. Explain how a monopsonistic employer's market power affects the determination of wages and employment levels.
22. Define Lindahl pricing and explain its significance in the context of public goods provision.
23. Discuss how adverse selection can lead to inefficiencies in the allocation and provision of public goods.

**(PTO)**

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

24. Discuss the various factors that influence input pricing in different factor markets.
25. Elaborate the partial equilibrium competitive model and examine how equilibrium conditions are established and maintained in competitive markets.
26. What is the equilibrium of the firm in monopolistic competition? How does this equilibrium differ from that of firms in monopoly?
27. Explain the concept of market failure in the presence of externalities. Discuss how externalities lead to a misallocation of resources and inefficiency.

**(2 x 10 = 20 Marks)**