

FOURTH SEMESTER B.Sc. DEGREE EXAMINATION, APRIL 2025**(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 meant by moral hazard?
2. Define a public good.
3. What is meant by shutdown point?
4. Explain the concept of a homogenous product with life examples.
5. Distinguish between short-run and long-run
6. Distinguish between pure competition and perfect competition.
7. Define 'excess capacity'
8. What is meant by factor pricing?
9. Distinguish between necessary condition and sufficient condition.
10. What is meant by diseconomies of scale?
11. What is Adverse selection?
12. Define a Natural monopoly.
13. State the meaning of limit pricing.
14. Comment on market period.
15. What is meant by the Naïve behaviour of firms?

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

16. Why MR curve is below the AR curve in the monopoly market?
17. List out the important features of a public good.
18. Enumerate the features of perfect competition.
19. Define price discrimination and provide examples of different types of price discrimination.
20. What are the important features of an oligopolistic market?
21. Describe the equilibrium outcome in the Cournot model. What determines the quantity produced and the price in this equilibrium?
22. Discuss the key concepts of game theory, including players, strategies, payoffs, and equilibrium solutions.
23. What are the key characteristics of a monopsonistic market structure in the factor market?

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

24. Describe the profit-maximizing condition for a firm in perfect competition. How does the firm determine the optimal level of output to maximize profits?
25. How does the kinked demand curve model explain price rigidity and market behaviour in oligopolistic industries?
26. Explain the concept of equilibrium in an input market. Discuss the factors that influence the equilibrium price and quantity of inputs
27. How does Lindahl pricing address the challenge of determining the optimal provision and pricing of public goods?

(2 × 10 = 20 Marks)