

TDC Even Semester Exam., 2018

ECONOMICS  
( Honours )

( 2nd Semester )

Course No. : ECOH-201

( Microeconomics—II )

Full Marks : 50

Pass Marks : 17

Time : 2 hours

The figures in the margin indicate full marks  
for the questions

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. (a) Why does AR curve coincides with MR curve under perfect competition?

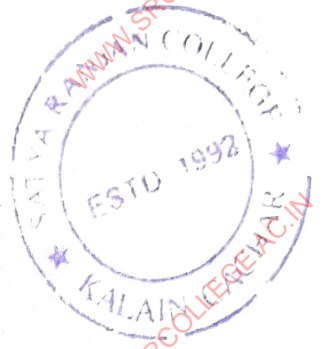
2

(b) A firm under perfect competition is a price maker or price taker. Discuss briefly.

4

(c) Explain how a firm under perfect competition attains equilibrium in the long run.

4





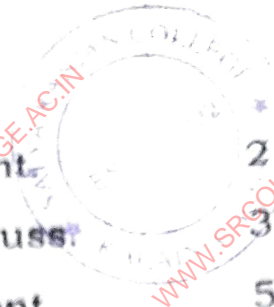
- 2. (a) What is natural monopoly?
- (b) What are the necessary conditions for price discrimination under monopoly?
- (c) How a multiplant monopoly maximises his profit by allocating output between plants? Explain with the help of diagram.

UNIT—II

- 3. (a) What do you mean by selling cost? Does it differ from production cost?
- (b) Discuss how a monopolistic competitive firm determines the optimum amount of selling cost.
- 4. (a) What is oligopoly? What are its types? Explain.
- (b) Explain with the help of a diagram the Bertrand duopoly model.

UNIT—III

- 5. Explain briefly how factor prices are determined in perfect and imperfect markets.



- 6. (a) Explain the concept of quasi-rent. 2
- (b) Does rent enter into price? Discuss? 3
- (c) Explain the modern theory of rent. 5

UNIT—IV

- 7. (a) What is interest? 2
- (b) How does Keynesian theory of interest differ from Classical theory of interest? Explain. 8
- 8. (a) What is adding up problem? 2
- (b) Explain how Wickstead provided a solution of product exhaustion problem with Euler's theorem. 8

UNIT—V

- 9. (a) Explain the conditions of Pareto optimality. 5
- (b) What do you mean by economic efficiency and equity? 5
- 10. (a) How far is it justified to impose pollution tax on pollution generating industries? Explain. 7
- (b) What are the tradable permits and externalities? 3

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