C 24795   (Pages : 3)   Name.....................................

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SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2017

(CUCBCSS—UG)

Core Course—Economics

ECO 2B 02—MICRO ECONOMICS—II

Time : Three Hours   Maximum : 80 Marks

Answers may be written **either** *in English* **or** *in Malayalam*

Part A

Answer all **twelve** *questions.*
Each question carries ½ mark.

1. The shape of an average fixed cost curve is :

    (a) U shape.   (b) L shape.

    (c) Saucer Shape.   (d) Rectangular Hyperbola.

2. Which of the following curve is also known as 'Planning Curve' ?

    (a) SAC.   (b) LAC.

    (c) AVC.   (d) LAVC.

3. Which of the following curve accommodates the reserve capacity of the firm ?

    (a) SAVC.   (b) SAFC.

    (c) SFC.   (d) SRAC.

4. Block Pricing is an example of which type of price discrimination :

    (a) First degree.   (b) Second Degree.

    (c) Third Degree.   (d) All the above.

5. Pricing intended to drive out competitors out of the market and to discourage new entrants is called :

    (a) Predatory Pricing.   (b) Block pricing.

    (c) Peak load pricing.   (d) Inter-temporal pricing.

6. A market where there is only one seller and one buyer is :

    (a) Monopsony.   (b) Duopoly.

    (c) Oligopsony.   (d) Bilateral Monopoly.

Turn over

7. Lerner's Index is used to measure :

    (a) Inflation.
    (b) Monopoly power.

    (c) Terms of Trade.
    (d) Cost of Living.

8. Which of the following is not a feature of a perfect competitive market ?

    (a) No Transport Cost.

    (b) No Restriction on entry into market.

    (c) Selling costs.

    (d) Price taker.

9. Cartels are usually formed by firms in which of the following markets :

    (a) Monopolistic Competition.
    (b) Perfect Competition.

    (c) Pure Competition.
    (d) Oligopoly.

10. In a perfect competitive market, the market demand for good X in the industry is :

    (a) A vertical line.
    (b) A Horizontal Straight line.

    (c) An upward sloping curve.
    (d) A Hyperbola.

11. The marginal cost (MC) curve intersects the

    (a) ATC and AFC curves at their minimum points.

    (b) TC and AFC curves at their minimum points.

    (c) ATC and AVC curves at their minimum points.

    (d) ATC, AVC, and AFC curves at their minimum points.

12. A monopolistically competitive firm is able to influence the price of what it sells because of :

    (a) Barriers to entry.
    (b) Economies of scale.

    (c) Inelastic demand.
    (d) Product differentiation.

(12 × ½ = 6 marks)

Part B (Very Short Answer Type Questions)

Answer any **ten** *questions.*
Each question carries 2 marks.

13. What is meant by Envelop Curve ?

14. Distinguish between pure competition and perfect competition.

15. Write a note on short run cost curves.

16. What is meant by duopoly ?

17. What is dumping ?

18. What are the features of an oligopolistic market ?

19. What is meant by price discrimination ?

20. What is Kinked Demand Curve ?

21. What is Marginal Revenue Product ?

22. Distinguish between explicit cost and implicit costs ?

23. What is meant by cartels ?

24. What do you mean by Economic rent of an input ?

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

Answer any **six** *questions.*
Each question carries 5 *marks.*

25. Explain about various types of long run costs curves.

26. Briefly the product exhaustion theorem.

27. Explain the market demand curve for inputs.

28. Explain the price leadership model of oligopoly.

29. Explain the features of monopolistic competition.

30. Discuss the measures to regulate the monopoly.

31. Distinguish between Monopsony and Monopoly ?

32. Briefly explain the Cournot's Model of Duopoly.

(6 × 5 = 30 marks)

Part D (Essay Questions)

Answer any **two** *questions.*
Each question carries 12 *marks.*

33. Explain how a multi-plant monopolist firm makes its output decisions.

34. Explain the nature of short run and long run cost curves.

35. Explain the Price and Output determination in collusive oligopoly.

36. Explain the determination of wage under perfect competition.

(2 × 12 = 24 marks)