

4 SEM TDC ECOH (CBCS) C 8

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(June/July)

ECONOMICS

(Core)

Paper : C-8

(Advanced Microeconomics)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. Choose the correct answer : 1×8=8

(a) General equilibrium model was developed by

- (i) Walras
- (ii) Marshall
- (iii) Ricardo
- (iv) None of them

(b) Welfare economics is

- (i) objective economics
- (ii) abstract economics
- (iii) positive economics
- (iv) All of the above

- (c) Which of the following is not a character of monopoly market?
- (i) Single firm
 - (ii) A price taker
 - (iii) Firm produces a unique product
 - (iv) Absence of advertising cost
- (d) In monopolistic competition, a firm is in long-run equilibrium
- (i) at the minimum point of the LAC
 - (ii) in the declining segment of the LAC
 - (iii) in the rising segment of the LAC
 - (iv) None of the above
- (e) In which market firms are mutually interdependent in determination of price of commodity?
- (i) Perfect competition
 - (ii) Monopoly
 - (iii) Monopolistic competition
 - (iv) Oligopoly
- (f) In the context of oligopoly, the kinked demand model is designed to explain
- (i) price and output determination
 - (ii) price rigidity
 - (iii) price leadership
 - (iv) None of the above
- (g) Externality refers to
- (i) external economies
 - (ii) external diseconomies
 - (iii) market failure
 - (iv) Both (i) and (ii)

(h) Which of the following is not a character of public good?

- (i) Equal consumption by all
- (ii) Non-rival in consumption
- (iii) Non-excludability
- (iv) None of the above

2. Write short notes on any *four* of the following (within 150 words each) : 4×4=16

- (a) Partial equilibrium
- (b) Social welfare function
- (c) Price leadership
- (d) Public goods
- (e) Entry deterrence

3. (a) Define welfare economics. Give an idea about old and new welfare economics.

3+8=11

Or

(b) Briefly present a graphical treatment of a simple general equilibrium model. 11

4. (a) Explain the Pareto's marginal conditions for attaining the efficiency in exchange and production. 11

Or

(b) Critically explain the Kaldor-Hicks compensation criterion. 11

5. (a) Discuss the factors that give rise to monopoly. Explain with diagram, the process of price and output determination in monopoly market.

4+7=11

Or

- (b) What is price discrimination? Explain and distinguish among the first, second and the third degrees of price discrimination.

2+(3+3+3)=11

6. (a) What is monopolistic competition? Illustrate with a diagram the price and output determination of a firm under monopolistic competition in the long run.

3+8=11

Or

- (b) Explain critically the Cournot's model of oligopoly.

11

7. (a) What do you mean by market failure? Discuss the problem of market failure.

4+8=12

Or

- (b) Explain the Coase theorem. What are its limitations?

8+4=12

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