

**4 SEM TDC ECOH (CBCS) C 8**

**2022**

( 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?

- Single firm
- A price taker
- Firm produces a unique product
- Absence of advertising cost

(d) In monopolistic competition, a firm is in long-run equilibrium

- at the minimum point of the LAC
- in the declining segment of the LAC
- in the rising segment of the LAC
- None of the above

(e) In which market firms are mutually interdependent in determination of price of commodity?

- Perfect competition
- Monopoly
- Monopolistic competition
- Oligopoly

(f) In the context of oligopoly, the kinked demand model is designed to explain

- price and output determination
- price rigidity
- price leadership
- None of the above

(g) Externality refers to

- external economies
- external diseconomies
- market failure
- Both (i) and (ii)

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

- Equal consumption by all
- Non-rival in consumption
- Non-excludability
- None of the above

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

- Partial equilibrium
- Social welfare function
- Price leadership
- Public goods
- 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.

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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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