

Total No. of Printed Pages—4

4 SEM TDC ECOH (CBCS) C 8

2025

(May/June)

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. Answer the following as directed : 1×8=8

(a) General equilibrium is based on the assumption of

- (i) imperfect competition
- (ii) perfect competition
- (iii) change in production technique
- (iv) All of the above

(Choose the correct option)

(2)

(b) An economy is said to be inefficient if it stays inside the production possibility curve.

(Write True or False)

(c) State the compensation criteria.

(d) Who developed the concept of 'social welfare function'?

(e) What do you mean by bilateral monopoly?

(f) When there are two sellers in the market, it is known as

(i) bilateral monopoly

(ii) duopoly

(iii) monopoly

(iv) None of the above

(Choose the correct option)

(g) Which one of the following is a source of market failure?

(i) The existence of externalities

(ii) Monopoly or imperfect market

(iii) The existence of public good

(iv) All of the above

(Choose the correct option)

(h) Who developed the concept of game theory?

(3)

2. Write short notes on any four of the following : 4×4=16

(a) Equity and efficiency

(b) Kinked demand curve

(c) Moral hazards

(d) Externalities

(e) Repeated games

3. (a) Explain the Kaldor-Hicks compensation principle with utility possibility curve. Point out its limitations. 8+4=12

Or

(b) What is social welfare function? Critically discuss it with the help of grand utility possibility curve. 4+8=12

4. (a) When is price discrimination possible? Show how price discrimination may result in a higher output in comparison to single-price monopoly. 3+8=11

Or

(b) What is monopolistic competition? Illustrate, with a diagram, the price and output determination of a firm under monopolistic market in the long-run. 3+8=11

(4)

5. (a) What is collusive oligopoly? How are price and output determined under collusive oligopoly? 3+8=11

Or

- (b) What is cartel? Explain how a cartel determines price and output of a product to maximise joint profits. 3+8=11

6. (a) Explain the concept of Prisoner's dilemma with the help of an example. 11

Or

- (b) What is game theory? Discuss its importance and applications. 3+4+4=11

7. (a) What are negative and positive externalities? How can the presence of such externalities lead to market failure? 3+8=11

Or

- (b) What are public goods? What are the characteristics of public goods? Why should public goods be produced by the government? 3+4+4=11

★ ★ ★