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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 : $1 \times 8 = 8$

(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

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(Turn Over)

- (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)

(3)

(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) : $4 \times 4 = 16$

- (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

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(Turn Over)

(4)

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
