

PARUL UNIVERSITY
FACULTY OF ARTS
B.A Summer 2017 – 18 Examination

Semester: 4
Subject Code: 15101251
Subject Name: Introduction to Microeconomics - II

Date: 08/05/2018
Time: 10:30 AM to 01:00 PM
Total Marks: 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as directed.**(08)****A. Multiple choice type questions. (Each of 0.5 mark)**

- 1 Firms sell _____ products in monopolistic competition.
a) homogenous b) differentiated c) both a and b d) none
- 2 Two firms under industry are called _____.
a) monopoly b) duopoly c) oligopoly d) none
- 3 Under Perfect competition shape of AR and MR is _____ straight line
a) horizontal straight line b) vertical straight line c) upward sloping
d) none
- 4 Producer is price maker in _____ market.
a) monopolistic b) oligopolistic c) duopolistic d) monopoly
- 5 Charging different price to the different customer is called _____.
a) monopoly b) price discrimination c) perfect competition d) none
- 6 _____ is important features of monopolistic completion.
a) selling cost b) single seller c) price maker d) none
- 7 Cartel is the case in _____ market.
a) monopolistic b) oligopolistic c) duopolistic d) monopoly
- 8 Quasi rent concept was introduced by _____.
a) Ricardo b) Paul Samuel c) kaldor d) Marshall
- 9 Liquidity preference means _____ for money to hold.
a) supply b) demand c) both a and b d) none
- 10 _____ function was first introduced by Prof. Bergson and later on developed by Samuelson,
a) individual welfare b) social welfare c) both a and b d) none
- 11 According to _____, the social welfare depends upon the welfare of the individuals comprising the society.
a) kaldor and hicks b) samuelson c) Pareto d) none
- 12 The quasi rent is _____ surplus.
a) temporary b) Permanent c) both a and b d) none
- 13 _____ is a market structure, where only two firms.
a) Monopoly b) Duopoly c) perfect competition d) none
- 14 Perfect competition market price is decided on the basis of _____.
a) cost and Revenue b) wealth and welfare c) demand and supply d) none
- 15 AR Determine _____.
a) price b) Cost c) Value d) none
- 16 Profit is earned by _____.
a) worker b) Landlord c) entrepreneur d) None

B. Terms and definition. (Each of 01 mark)**(07)**

- 1 Quasi Rent
- 2 Duopoly

- 3 Pareto optimality
- 4 Scarcity Rent
- 5 Monopoly
- 6 Interest
- 7 Price discrimination

Q.2 Answer the following.

- A. What are the conditions for equilibrium under perfect competition? (04)
 - B. What are the characteristics of oligopoly market? (04)
 - C. What are the features of perfect competition? (04)
- OR
- C. Write a note on Quasi rent (04)

Q.3 Answer the following.

- A. Explain wage fund theory. (05)
 - B. Write a note on Keynesian theory of liquidity preference of interest. (05)
 - C. Explain theory of Knights' theory of profit. (05)
- OR
- C. Discuss various sources of monopoly. (05)

Q.4 Answer the following.

- A. Explain equilibrium of the firm under perfect competition. (06)
 - B. Explain conditions for price discrimination. (06)
 - C. Price output determination under monopolistic market. (06)
- OR
- C. Explain Marshall-Hicks' marginal productivity theory. (06)