

PARUL UNIVERSITY
FACULTY OF ARTS
B.A Summer 2018 – 19 Examination

Semester: 4

Subject Code: 15101251

Subject Name: Introduction to Microeconomics-II

Date: 10/04/2019

Time: 2:00 pm to 4:30 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. Which one of the following “markets” is related to the “feature” of “price discrimination”?

| | |
|------------------------|--------------------|
| a) Perfect Competition | c) Duopoly Market |
| b) Monopolistic Market | d) Monopoly Market |
2. Which among the following are the main “elements” that are “exchanged” among the “people” in the market?

| | |
|---------------------------|-------------------------|
| a) Agricultural Labourers | c) Banks |
| b) Goods and Services | d) Commercial Buildings |
3. Which among the following is the “term” used in Economics for referring to the “value” of a “commodity”?

| | |
|----------------|--------------|
| a) Production | c) Price |
| b) Consumption | d) Labelling |
4. What happens to the “output level” of the “commodities” when the “demand” by the “consumers” increases?

| | |
|--------------|----------------------|
| a) Increases | c) Doesn't change |
| b) Decreases | d) None of the above |
5. What “type” of “goods” are sold in “Oligopoly Market”?

| | |
|-------------------|----------------------|
| a) Identical | c) Homogeneous |
| b) Differentiated | d) No goods are sold |
6. How many “sellers” are there in “Duopoly Market”?

| | |
|---------|---------|
| a) Few | c) Many |
| b) Zero | d) Two |
7. What happens to the “price” of the “goods and services” when the “same type” of them are sold in the market?

| | |
|-----------------------|--------------------|
| a) Becomes high | c) Remains same |
| b) Fall in the prices | d) Becomes too low |
8. What is the “shape” of the “curve” in the diagram of “Perfectly Competitive Market” when the “prices” of the “commodities” are the same?

| | |
|---|--|
| a) A vertical line parallel to price (Y Axis) | c) A downward sloping line |
| b) A upward sloping line | d) A horizontal line parallel to quantity (X Axis) |
9. What do we mean by the word “Marginal”?

| | |
|---------------|-------------|
| a) Additional | c) Per Unit |
| b) Reduction | d) Rise |
10. Which one of the following is “not” part of the various forms of “income” received by an individual?

| | |
|---------------|-----------|
| a) Salary | c) Profit |
| b) Investment | d) Wages |
11. What is the “term” used for the “introduction” of the “new products” or “creation” of “new varieties” in the “existing commodities” called as?

| | |
|---------------|---------------|
| a) Allocation | c) Innovation |
| b) Packaging | d) Purchasing |
12. Which of the following “Economist” gave the theory of “Quasi Rent”?

| | |
|--------------------|------------------|
| a) Schumpeter | c) Adam Smith |
| b) Alfred Marshall | d) David Ricardo |
13. What happens to the “social welfare” when “more” quantity of “public facilities” are provided to the people of a nation?

- a) Decreases
b) No change
- c) Increases
d) None of the above
14. Which of the following is used to “measure” the “social welfare”?
a) Pareto Optimality
b) Demand Curve
c) Supply Curve
d) Diminishing Marginal Utility Curve
15. Who among the following fixes the “prices” of the “products” to sell them to the “buyers”?
a) Consumers
b) Poor People
c) Producers
d) Politicians
16. Which among the following is “not” related to the “value judgements”?
a) Based on one’s opinions
b) Not based on the facts
c) The preference of all people are same
d) Judge about what is wrong or right based on the opinions of people

B. Terms/ Short notes/ Case study/ Charts/ Graphs/ Tables, etc. (Each of 01 mark) (07)

1. Define the term “Market”.
2. What do we understand by the word “Price”? State any one example of it.
3. State the meaning of “Output”.
4. Give any one example of Rent.
5. What do we understand by the term “wages”? State it.
6. Define the term “social welfare”.
7. Define the term “Perfectly Competitive Market”.

Q.2 Answer the following.

- A. There are various types of market. Explain the main features of their “types”. (04)
- B. Explain the concept of “Value Judgements”. (04)
- C. The “price and output” is determined under the “Oligopoly Market”. Describe the main “characteristics” related to determination of price and output in this type of market. (04)

OR

- C. The “theory of innovation” has been given by one of the Economist by relating it with the profit earned. Elaborate on the “features” related to the “theory of innovation”. (04)

Q.3 Answer the following.

- A. Describe the various causes for the existence of the Monopoly Market. (05)
- B. Explain the “features” of the “Kaldor-Hicks Compensation Principle”. (05)
- C. Describe about the distinct “characteristics” with respect to the concept of “Wage Differentials”. (05)

OR

- C. “Quasi Rent” is one of the theories of Rent. Explain the distinct features of it. (05)

Q.4

- A. Describe about the “measurement” of the “social welfare” by using the “Pareto Optimality Concept” along with its diagram. (06)
- B. Describe about the salient features of the “collective bargaining” concept. (06)
- C. Explain the “characteristics” of the “Scarcity Rent theory”. (06)

OR

- C. Describe the characteristics of the “Keynesian theory of Interest” along with its diagram. (06)