

PARUL UNIVERSITY
FACULTY OF ARTS
B.Arts., Winter 2018 – 19 Examination

Semester: 4

Subject Code: 15101251

Subject Name: Introduction to Microeconomics-II

Date: 17-12-2018

Time: 02:00 pm to 04:30 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) The platform where the buying and selling of goods takes place is called as

a) Households	c) Market
b) Banks	d) Stock Market
- 2) The prices of the goods sold in the Perfectly Competitive Market are _____.

a) Same	c) Excessively High
b) Different	d) less
- 3) How many sellers are there in a Monopoly Market?

a) Two	c) One
b) Infinite	d) More than Two
- 4) Which one among the following is the term used for the “things” that are traded in the Market and are “intangible” in nature?

a) Goods	c) Machinery
b) Services	d) Raw Materials
- 5) Oligopoly is a form of Market in which there are _____ sellers.

a) Few	c) Surplus
b) Many	d) no
- 6) The term used for the “value” of the commodity that are produced by the producers and then used by the consumers is called as _____ in economics.

a) Trade	c) Liability
b) Price	d) Asset
- 7) A _____ is a form of market in which there are many sellers and buyers.

a) Perfectly Competitive	c) Monopolistic
b) Monopoly	d) Duopoly
- 8) The term “Production” is also called as _____ in economics.

a) Output	c) Imports
b) Consumption	d) Exports
- 9) The _____ Productivity is known as the efficiency of the additional production which is done by the producers employed in various firms.

a) Average	c) Per Unit
b) Marginal	d) Deficit
- 10) The process of launching of “new products” in the Market after they have been created(produced) by the producers is called as _____.

a) Creation	c) Labelling
b) Packaging	d) Innovation
- 11) When a certain thing is available in less quantity then its actual quantity demanded that is the supply is less than the demand then it is referred to as _____.

a) Excess	c) Poverty
b) Scarcity	d) Unemployment
- 12) Uncertainty means when it is _____ to predict about something.

a) Difficult	c) Reliable
b) Easy	d) Certain
- 13) When more benefits are provided to the citizens of a nation, then the social _____ of them increases living in the country.

a) Destruction	c) Position
b) Welfare	d) Standard of living

14) When we evaluate the consequences of something such as any of the financial assets then it is called as _____.

- a) Reading
- b) Summarizing
- c) Analysing
- d) Judging

15) The concept of the social welfare function was first introduced by _____.

- a) Pareto
- b) Kaldor
- c) Bergson
- d) Samuelson

16) Who introduced the Compensation Principle?

- a) Adam Smith
- b) David Ricardo
- c) Kaldor Hicks
- d) Keynes

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

(07)

- 1) Define the term "Market".
- 2) What do we mean by Monopolistic Market? State it in one sentence.
- 3) Give any one example of a "Oligopoly Market".
- 4) State the meaning of the word "innovation" which is done by the producers while producing the final goods in the industries.
- 5) State the definition of the term Marginal used in terms of Marginal Value, Marginal Cost etc incurred by the producers.
- 6) Give any one example of "social welfare" and explain it in brief.
- 7) Define the meaning of "Value" used in Economics.

Q.2) Answer the following.

- A) The consumers go to the different types of Market in their daily lives to purchase the goods and services. Explain the main features of the types of "Market" where the consumers often go in their daily lives. **(04)**
- B) Explain the characteristics of the price and output determination under the "Oligopoly Market". **(04)**
- C) Describe the distinct features of the "Quasi Rent theory" which was given by the Economist "David Ricardo". **(04)**

OR

C) Schumpeter had given his views on a theory called as Innovation Theory. Elaborate on it in detail. **(04)**

Q.3) Answer the following.

- A) Explain about the main features related to price and output determination in the "Perfectly Competitive Market". **(05)**
- B) Describe the salient features with respect to the Interest Theory which was given by Keynes Economist. **(05)**
- C) Explain the features related to measuring the social welfare with respect to the Pareto's Criteria. **(05)**

OR

C) Describe the features of the Risk Theory related to the Profit earned by the producers by Schumpeter. **(05)**

Q.4) Answer the following.

- A) Explain the characteristics of the price and output determination under the "Monopolistic Competition Market". **(06)**
- B) Explain the characteristics related to the theory of "Collective Bargaining". **(06)**
- C) Describe the features of the "Wage Differential Theory" concerned with the wages paid to the workers. **(06)**

OR

C) When there is exchange of goods in a Monopoly Market, then it causes discrimination among the producers in not charging same prices to the different consumers. Explain the features of the Monopoly Market in terms of the price discrimination done in this market. **(06)**