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B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2020.

Second Semester

Economics — Main

MICRO ECONOMICS – II

(For those who joined in July 2017 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. In the short run, average cost and marginal cost curves intersect at the point where
 - (a) MC in minimum (b) AC in maximum
 - (c) AC in minimum (d) MC in maximum

2. Short-run cost curves are influenced by
 - (a) nature of demand
 - (b) business conditions
 - (c) law of variable proportions
 - (d) law of demand

3. Consumers are likely to get a variety of goods under
 - (a) Perfect competition
 - (b) Monopoly
 - (c) Duopoly
 - (d) Monopolistic competition

4. The book 'Theory of Monopolistic Competition' is associated with
 - (a) J.R. Hicks
 - (b) Samuelson
 - (c) Pigou
 - (d) E.H. Chamberlin

5. According to the Ricardian theory of rent, rent arises due to
 - (a) Ownership rights of the landlords
 - (b) Scarcity of labour
 - (c) Niggardliness of nature
 - (d) Contribution of landlords to production

6. Quasi-rent is the income derived from
 - (a) Free gifts of nature
 - (b) Agricultural products
 - (c) Man made machines and appliances
 - (d) Industrial products

7. Wage fund theory is given by
- (a) Adam Smith (b) Ricardo
(c) J.S. Mill (d) Schumpeter
8. When wage is expressed in terms of goods and services, it is known as
- (a) Money wage (b) Real wage
(c) Temporary wage (d) Fixed wage
9. According to Keynesian theory, interest is paid for
- (a) Foregoing liquidity
(b) Holding money as an asset
(c) Holding money for the transaction
(d) Holding money to avoid future uncertainty
10. According to Schumpeter, profit is the reward for
- (a) Innovation
(b) Uncertainty bearing
(c) Risk taking
(d) Management

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Distinguish between fixed and variable costs.

Or

- (b) Explain the long run cost curves.

12. (a) Narrate the features of perfect competition.

Or

- (b) Explain the types of monopoly.

13. (a) Brief the concept of Quasi-rent.

Or

- (b) Explain the modern theory of rent.

14. (a) Account the factors determining real wages.

Or

- (b) Write a note on Trade Union and Wages.

15. (a) Distinguish between Gross interest and Net interest.

Or

- (b) Explain the uncertainty theory of profit.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Discuss the short-run cost curves.

Or

- (b) Analyse the relation between AR and MR under different market conditions.

17. (a) Explain price output determination under monopoly.

Or

- (b) What are the features of monopolistic competition?

18. (a) Summarize the marginal productivity theory of distribution.

Or

- (b) Critically examine the Ricardian theory of rent.

19. (a) Explain the subsistence theory of Wages.

Or

- (b) Discuss the wage fund theory.

20. (a) Examine the liquidity preference theory of interest.

Or

(b) Explain the Dynamic theory of profit.
