

(6 pages)

Reg. No. :

**Code No. : 12444 E Sub. Code : SMEC 21/
AMEC 21**

B.A. (CBCS) DEGREE EXAMINATION, APRIL 2021.

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. Which is never 'U' shaped?
(a) AC (b) MC
(c) AVC (d) AFC

2. Which of the following is known as planning curve?
(a) Long run average cost curve
(b) Short run average cost curve
(c) Average variable cost curve
(d) Marginal cost curve

3. In the short run, monopolist
 - (a) Incurs a loss
 - (b) Makes a profit
 - (c) Break even
 - (d) Any of the above

4. The book 'The Economics of Imperfect Competition' is given by
 - (a) Chamberlin
 - (b) Joan Robinson
 - (c) Robertson
 - (d) Cassel

5. The theory of Quasi-rent is given by
 - (a) Ricardo
 - (b) Marshall
 - (c) Pigou
 - (d) Robertson

6. According to Ricardo
 - (a) price determines rent
 - (b) rent determines price
 - (c) rent and price are independent
 - (d) all of the above are true

7. The Wage Fund Theory is given by
 - (a) Walker
 - (b) J.S. Mill
 - (c) Schumpeter
 - (d) Knight

8. The objective of Trade Union is
- (a) To increase the wage
 - (b) To reduce the hours of work
 - (c) To prevent exploitation of Labour
 - (d) All the above
9. The innovation theory of profit is given by
- (a) Schumpeter
 - (b) Hawley
 - (c) Knight
 - (d) Clark
10. The perfectly elastic portion of the liquidity preference curve is known as
- (a) Transaction motive
 - (b) Precautionary motive
 - (c) Liquidity trap
 - (d) Speculative motive

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) Explain Fixed Cost and Variable Cost.

Or

- (b) Brief the Short Run Cost Curves.

12. (a) Narrate the features of Perfect Competition.

Or

- (b) Explain the concept 'Product differentiation'.

13. (a) State and explain Quasi-rent.

Or

- (b) Explain the modern theory of rent.

14. (a) How Trade Unions can influence wages?

Or

- (b) What are the factors determining real wages?

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

Or

- (b) Explain the loanable fund theory of interest.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Explain the various cost concepts.

Or

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

17. (a) Explain the types of monopoly.

Or

- (b) Analyse price-output determination under monopolistic competition.

18. (a) Bring out the reasons for wage differentials.

Or

- (b) Explain the theories of Wages.

19. (a) Discuss the Marginal Productivity Theory of Distribution.

Or

(b) Examine the Ricardian Theory of Rent.

20. (a) Explain the Liquidity Preference Theory of Interest.

Or

(b) Examine the Risk and Uncertainty Theories of Profit.
