

(6 pages)

Reg. No. :

Code No. : 10533 E Sub. Code : CMEC 21

B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2022.

Second Semester

Economics — Core

MICRO ECONOMICS – II

(For those who joined in July 2021 onwards)

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Which cost is incurred even if the company is closed?
 - (a) Sunk cost
 - (b) Historical cost
 - (c) Shut-down cost
 - (d) Imputed cost

2. Value of Marginal Revenue of zero, level of output is generally.
 - (a) One
 - (b) Zero
 - (c) Not defined
 - (d) None of the above
3. 'Monopoly' refers to
 - (a) Single seller
 - (b) Few sellers
 - (c) Many sellers
 - (d) None
4. The monopolistic firm will be in equilibrium where
 - (a) $MR = MC$
 - (b) $MR = MC = Price$
 - (c) Both (a) and (b)
 - (d) None of the above
5. When the ARP curve rises, the MRP curve is
 - (a) above
 - (b) below
 - (c) zero
 - (d) negative

6. Revenue Productivity means
- (a) Productivity in terms of goods and services
 - (b) Productivity in terms of money
 - (c) Both (a) and (b)
 - (d) None of the above
7. The Residual Claimant Theory was propounded by
- (a) Francis B. Walker
 - (b) Francis A. Walker
 - (c) Francis C. Walker
 - (d) Francis Y. Walker
8. Once a Trade Union is recognised in a work place, the negotiation with the employer are called
- (a) Collective Bargaining
 - (b) Group Bargaining
 - (c) Informed Bargaining
 - (d) Collusive Bargaining
9. In case the price level is constant the money rate equals the
- (a) Real rate of interest
 - (b) Money rate of interest
 - (c) Both (a) and (b)
 - (d) None of the above

10. The Dynamic Theory of profit was propounded by
- (a) Joseph A. Schumpeter
 - (b) J.B. Clark
 - (c) Walker
 - (d) G.L.S. Shackle

PART B — (5 × 5 = 25 marks)

Answer ALL questions choosing either (a) or (b).
Each answer should not exceed 250 words.

11. (a) Explain the concept of opportunity cost.
Or
(b) State the importance of Revenue curves.
12. (a) Explain the features of monopoly.
Or
(b) Write a brief note on types of Price Discrimination.
13. (a) Distinguish between personal distribution and functional distribution.
Or
(b) Write any five assumptions of Ricardo's theory of rent.

14. (a) Explain the causes of wage differentials.

Or

(b) Write a brief note on 'Minimum Wages'.

15. (a) Narrate the criticisms of Knight's theory of profit.

Or

(b) Write the variations in Interest Rates.

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 relationship between AR and MR curves and their dependence on elasticity.

Or

(b) Why is LAC curve flatter than SAC curve? Briefly explain.

17. (a) Explain the price determination of a firm under monopolistic competition.

Or

(b) Briefly describe the characteristics of perfect competition.

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18. (a) Critically examine Ricardo's theory of rent.

Or

(a) Distinguish between Rent and Quasi-rent.

19. (a) Discuss the wage fund theory.

Or

(b) Examine the role played by trade union in wage determination.

20. (a) Explain the Loanable Funds theory of Interest.

Or

(b) Critically discuss Clark's dynamic theory of profit.

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