

**PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)**

**BA DEGREE EXAMINATION DECEMBER 2024  
(Second Semester)**

Branch: **ECONOMICS**

**MICRO ECONOMICS-II**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks)**

Answer **ALL** questions

**ALL** questions carry **EQUAL** marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	The difference between Economic Cost and Accounting Cost is equal to _ (a) Implicit cost (b) Explicit cost (c) Marginal cost (d) none of the above	K2	CO1
	2	Opportunity cost refers to- (a) money expenses incurred on purchasing or hiring factor, services (b) the next best alternative (c) involving cash payment (d) all the above	K2	CO1
2	3	Which one is the characteristic of perfect competition? a. It has a large number of buyers and sellers selling homogeneous products at a uniform price. b. There is no free entry and exit for all the firms. c. It has a large number of buyers and sellers where the government decides the price of the product. d. It has a large number of buyers and sellers selling heterogeneous products at a uniform price.	K1	CO2
	4	A Monopolist usually produces a. Less than optimum output b. More than optimum output c. Optimum output d. Minimum output	K2	CO2
3	5	In the long run a monopolist usually earns a. Excess profit b. Normal profit c. Sub normal profit d. Negative profit	K2	CO3
	6	An Oligopolist is a. Certain about his decision b. Uncertain about his decision c. Totally depends on other d. Not depends on others	K2	CO3
4	7	The value of marginal product is calculated by multiplying the ____ by the ____. a) marginal product; price of the product b) quantity of labor; wage rate c) wage; price of the product d) total product; wage rate	K1	CO4
	8	Malthus's theory was that population a. increased proportionally to economic growth. b. increased geometrically, outstripping food supply, which grew arithmetically c. increased stagnantly with food supply and economic development. d. increased disproportionately, surpassing agricultural production.	K2	CO4

Cont...

5	9	Who has contributed the modern theory of interest rate determination? (a) Paul A. Samuelson (b) Gunnar Myrdal (c) Knut Wicksell (d) J.R. Hicks	K2	CO5
	10	According to Keynes interest is a payment for (a) Consumer's preference (b) Producer's preference (c) Liquidity preference (d) State Bank's preference	K2	CO5

**SECTION - B (35 Marks)****Answer ALL questions****ALL questions carry EQUAL Marks****(5 × 7 = 35)**

Module No.	Question No.	Question	K Level	CO
1	11.a.	What are the Objectives of the Firm?	K2	CO1
		(OR)		
	11.b.	State the concept of Perfect Competition and Imperfect Competition		
2	12.a.	Explain the features of Monopoly.	K3	CO2
		(OR)		
	12.b.	Describe the concept of price discrimination.		
	13.a.	Identify the features of Duopoly.	K3	CO3
		(OR)		
	13.b.	Outline the difference between the Cournot model and the Chamberlain model		
4	14.a.	What are the Characteristics of Labour?	K2	CO4
		(OR)		
	14.b.	Explain the concept of Quasi-Rent.		
5	15.a.	Evaluate the Loanable Funds Theory of Interest.	K3	CO5
		(OR)		
	15.b.	Interpret the Schumpeter's theory of Innovation		

**SECTION -C (30 Marks)****Answer ANY THREE questions****ALL questions carry EQUAL Marks****(3 × 10 = 30)**

Module No.	Question No.	Question	K Level	CO
1	16	Discuss the different concept of cost and revenue.	K3	CO1
2	17	How is the price and output determined under monopoly in short-run?	K1	CO2
3	18	Find the price and output determined under monopolistic competition in long run?	K2	CO3
4	19	Describe the marginal productivity theory of distribution.	K3	CO4
5	20	Explain the liquidity preference theory of interest.	K3	CO5