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22ECU204N

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BA DEGREE EXAMINATION MAY 2026
(Second Semester)

Branch- **ECONOMICS**
MICROECONOMICS - 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	AC and MC are equal at i) Minimum of MC ii) Minimum of AC iii) Maximum of MC iv) Maximum of AC	K1	CO1
	2	When MR is zero, then TR will be i) Minimum ii) Maximum iii) Zero iv) Negative	K2	CO1
2	3	In the short-run under Prefect Competition, AR is i) equal to MR ii) less than MR iii) greater than MR iv) equal to TR	K1	CO2
	4	What is the effective measure to control monopoly? i) increase profit ii) increase subsidy iii) increasing tax iv) reducing tax	K2	CO2
3	5	Identify, a feature of monopolistic competition i) Limited number of sellers ii) Homogeneous Product iii) Differentiated product iv) Barriers to entry	K1	CO3
	6	A situation few sellers dominate the market a for a commodity or service, then the market is called i) Prefect ii) monopolistic iii) oligopoly iv) monopoly	K2	CO3
4	7	A process where a group of employees 'collectively' negotiate with employer called i) trade union ii) employer union iii) association bargaining iv) collective bargaining	K1	CO4
	8	According to Residual Claimant theory the wage is i) residual ii) coefficient iii) zero iv) earn interest	K2	CO4
5	9	Schumpeter explained profit as arising from i) uncertainty ii) collective bargaining iii) monopoly iv) innovation	K1	CO5
	10	According to Knight, profit is i) certain ii) functional iii) uncertain iv) predictable	K2	CO5

Cont...

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.	Explain the relationship between Average Cost and Marginal Cost.	K2	CO1
		(OR)		
	11.b.	Explain various cost concepts in Economics.		
2	12.a.	Compare the features of Perfect Competition and Monopoly.	K4	CO2
		(OR)		
	12.b.	Classify the degree of price discrimination.		
3	13.a.	Discuss Paul Sweezy's Kinked Demand Curve Model.	K3	CO3
		(OR)		
	13.b.	Explain the features of Oligopoly Market.		
4	14.a.	Compare Ricardian and Modern Theories of Rent.	K4	CO4
		(OR)		
	14.b.	Explain the concept of Quasi-Rent with examples.		
5	15.a.	Explain Keynesian Liquidity Preference Theory of Interest.	K3	CO5
		(OR)		
	15.b.	Apply the Loanable Funds Theory to explain interest rate determination		

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	Analyze the relationship between AR, MR and TR.	K4	CO1
2	17	Explain how the price and output determination under perfect competition in short run and long run.	K4	CO2
3	18	Examine price and output determination under Monopolistic Competition.	K4	CO3
4	19	Evaluate the Residual Claimant Theory in relation to Collective Bargaining.	K4	CO4
5	20	Examine the Knight's Theory of Profit with suitable examples.	K4	CO5

Z-Z-Z END