

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BA DEGREE EXAMINATION MAY 2022
(Second Semester)

Branch – ECONOMICS

MICRO ECONOMICS-II

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

1. Under perfect competition, commodities are _____ in nature.
(i) homogeneous (ii) heterogeneous
(iii) complementary (iv) supplementary
2. Under Monopoly, the MR curve
(i) slopes upward (ii) slopes downward (iii) horizontal (iv) vertical
3. The cost involved in sales promotion is
(i) production cost (ii) selling cost
(iii) fixed cost (iv) marginal cost
4. The concept of quasi rent was introduced by
(i) Ricardo (ii) Alfred Marshall (iii) Karl Marx (iv) Malthus
5. According to Schumpeter, profit is the reward for
(i) innovation (ii) uncertainty bearing
(iii) risk taking (iv) dynamic changes

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

6. a) Bring out the objectives of the firm.
OR
b) State the relationship between average revenue and marginal revenue.
7. a) Summarise the features of perfect competition.
OR
b) How is price and output determined under monopoly?
8. a) Explain the assumption of the Cournot's model of duopoly.
OR
b) Sketch the firm's equilibrium under selling cost.
9. a) State the characteristics of labour.
OR
b) Narrate the subsistence theory of wage.
10. a) Describe the classical theory of interest.
OR
b) Explain the Knight's theory of profit.

Cont...

SECTION -C (30 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

11. a) Discuss the L-shaped long-run average cost curve.

(OR)

b) Examine the various types of internal economies of scale.

12. a) Discover the equilibrium of the firm under discriminating monopoly.

(OR)

b) Elucidate the equilibrium of the firm under perfect competition.

13. a) Examine the Sweezy's model of kinked demand curve.

(OR)

b) Analyse the Chamberlin's group equilibrium.

14. a) Discuss the marginal productivity theory of distribution.

(OR)

b) Critically examine the Ricardian theory of rent.

15. a) Analyse the Keynes' liquidity preference theory of interest.

OR

b) Summaries the Schumpeter's innovation theory of profit.

Z-Z-Z END