

(AUTONOMOUS)  
**BA DEGREE EXAMINATION DECEMBER 2017**  
(Second Semester)

Branch – **ECONOMICS**  
**MICRO ECONOMICS-II**

Time : Three Hours

Maximum : 75 Marks

**SECTION-A (20 Marks)**

Answer **ALL** questions

**ALL** questions carry **EQUAL** marks (10 x 2 = 20)

- 1 Define cost function.
- 2 State any two objectives of a modern firm.
- 3 Define monopoly.
- 4 What is abnormal profit?
- 5 What do you understand by product differentiation?
- 6 Point out any two defects of monopolistic competition.
- 7 Define marginal productivity of labour.
- 8 State the wage fund theory.
- 9 Distinguish between gross interest and net interest.
- 10 Mention the firm's equilibrium condition.

**SECTION - B (25 Marks)**

Answer **ALL** Questions

**ALL** Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a Explain why SAC is U-shaped.  
OR  
b Describe with suitable examples the economies of scale.
- 12 a Explain low equilibrium price is determined under perfect competition.  
OR  
b What is price discrimination? Describe its kinds.
- 13 a Explain the various features of oligopoly.  
OR  
b Describe with the suitable diagram the concept of group equilibrium.
- 14 a Distinguish between rent and quasi-rent.  
OR  
b Define labour and explain its characteristics.
- 15 a Evaluate the uncertainty theory of profit.  
OR  
b Explain the classical theory of interest.

**SECTION - C (30 Marks)**

Answer any **THREE** Questions

**ALL** Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Explain in detail the different concepts of cost.
- 17 Describe the determination of equilibrium price under monopoly.
- 18 Make a critical appraisal of Cournot's model of oligopoly.
- 19 Evaluate the optimum theory of population.
- 20 "Interest is the reward for parting with liquidity"-Comment.

Z-Z-Z

END