PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BA DEGREE EXAMINATION DECEMBER 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   In perfect competition, when the marginal revenue and marginal cost are equal, profit is?
   (i) Maximum   (ii) Zero
   (iii) Negative   (iv) Average

2   Under monopoly MR can be negative only when:
   (i) AR is increasing   (ii) AR is decreasing
   (iii) AR is constant   (iv) AR = 0

3   Which of the following market types has the fewest number of firms?
   (i) Perfect competition   (ii) Monopoly
   (iii) Monopolistic competition   (iv) Oligopoly

4   _____ shows the overall generated at a given level of input:
   (i) Cost function   (ii) Iso cost
   (iii) Production function   (iv) Margional rate of technical subsitution

5   Knight's principle of profit is based on
   (i) Insurable risk   (ii) Uninsurable risk
   (iii) Due to uncertainty   (iv) Both (b) and (c)

SECTION - B (15 Marks)
Answer ALL Questions
ALL Questions Carry EQUAL Marks   (5 x 3 = 15)

6   a. State the objectives of the firm.
                              OR
    b. Explain the relationship between AC and MC curves.

7   a. Show the features of perfect competition.
                              OR
    b. Narrate the concept of bilateral monopoly.

8   a. Outline the features of monopolistic competition.
                              OR
    b. Develop the price leadership model.

9   a. State the basic characteristics of labour.
                              OR
    b. Produce the different types of rent.

10 a. Analyse the loanable fund theory.
                              OR
    b. Show the organization as a factor of production.

SECTION -C (30 Marks)
Answer ALL questions
ALL questions carry EQUAL Marks   (5 x 6 = 30)

11 a. Analyse the Baumol's sales maximization theory.
OR
b. Elucidate the L-shaped cost curves with diagram

12 a. Trace the price determination under short-run equilibrium.
OR
b. Discover the price and output determination under monopoly in short-run.

13 a. Highlight the Kinked Demand Curve model of Oligopoly.
OR
b. Outline the Chamberlin's Model of Duopoly.

14 a. Analyse the optimum theory of population.
OR
b. Examine the Ricardian theory of rent.

15 a. Summarise the Keynesian Liquidity preference theory.
OR
b. Trace the Schumpeter's Innovation theory of profit.

Z-Z-Z   END