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63 (FY)SEM-3/MAJ/ECOMAJ2014

2024

ECONOMICS

Paper : ECOMAJ2014

(Intermediate Micro Economics-II)

Full Marks : 70

Pass Marks : 28

Time : Three hours

The figures in the margin indicate full marks for the questions.

1. Answer/Choose the following questions :

1×6=6

(a) According to the Marginal Productivity Theory, the price of a factor and its MRP tend to

- (i) Equality
- (ii) Inequality
- (iii) One
- (iv) Zero

Contd.

- (b) The concept of quasi rent is developed by
- (i) J.R. Hicks
 - (ii) Alfred Marshall
 - (iii) Joan Robinson
 - (iv) Ricardo
- (c) By Chamberlin's definition, selling costs include
- (i) Cost of raw material
 - (ii) Wages paid to the labourers
 - (iii) Cost of advertisement
 - (iv) Interests paid to the capital
- (d) The key feature of oligopolistic industries is
- (i) Large number of sellers
 - (ii) Free exit and free entry of firms
 - (iii) Interdependence of decision making
 - (iv) Selling costs
- (e) Environmental degradation is a clear case of
- (i) positive externality
 - (ii) negative externality
 - (iii) ecological protection
 - (iv) environmental improvement

- (f) A property right is a right to use
- (i) a resource
 - (ii) consumer goods
 - (iii) capital goods
 - (iv) illegal drugs

2. Answer the following questions : **(any five)**
2×5=10

- (a) Differentiate positive and normative approach in welfare economics.
- (b) What do you mean by quasi-rent?
- (c) Define risk and uncertainty bearing theory of profit.
- (d) What are the forms of oligopoly?
- (e) What do you mean by non-rivalry and non-excludability?
- (f) Explain two characteristics of public goods.
- (g) State two reasons of Market failure.

3. Answer the following questions : **(any six)**
5×6=30

- (a) Distinguish between the Pigovian and the Hicksian concept of welfare economics.
- (b) Discuss the conditions of Pareto optimality.

- (c) What is Ricardian Theory of rent? Explain.
- (d) Write a note on Schumpeter's innovation theory of profit.
- (e) Write a short note on selling cost.
- (f) What is excess capacity? How can it be measured?
- (g) Discuss in brief the different types of externalities.
- (h) What are the differences between public goods and private goods?
- (i) What do you mean by market failure? How does market fail for environmental goods? Discuss.

4. Answer of the following question : **(any two)**
 $12 \times 2 = 24$

- (a) Discuss in brief the Kaldor-Hicks criterion.
- (b) Critically discuss the Marginal Productivity theory of distribution.
- (c) Critically discuss the classical theory of interest.
- (d) Explain with the help of diagram how a firm under monopolistic competition attains equilibrium.