

**THIRD SEMESTER B.A. DEGREE (SUPPLEMENTARY/IMPROVEMENT)  
EXAMINATION, NOVEMBER 2015**

(UG—CCSS)

Core Course—Economics

**EC 3B 04—MICRO ECONOMICS—II**

(Common for B.A. Economics, Development Economics and Foreign Trade)

Time : Three Hours \_\_\_\_\_

Maximum : 30 Weightage

*Answers may be written either in English or in Malayalam.*

**I. Objective Type Questions. Answer all *twelve* questions.**

**1. In the perfect competitive market, output in the long run is :**

- (a) At the falling portion of the LAC.
- (b) Increasing portion of the LAC.
- (c) Optimum point of the LAC.
- (d) Below the LAC.

**2. The price that prevails in the very short period is called :**

- (a) Competitive price.
- (b) Temporary price.
- (c) Market price.
- (d) Short run price.

**3. The monopolist is :**

- (a) Price maker.
- (b) Quantity fixer.
- (c) Both price maker and quantity fixer.
- (d) Fixing limit price.

**4. The upper portion of the kinked demand curve under oligopoly is elastic because :**

- (a) A price rise by one firm will be followed by other firms.
- (b) A price rise by one firm leads to price reduction by the competing firms.
- (c) Output will be higher at higher prices.
- (d) Demand for the product decreases at higher prices.

**Turn over**

Fill in the blanks :

5. Only normal profit exists in \_\_\_\_ market in the long run.
6. The monopolist faces a \_\_\_\_\_ sloping demand curve.
7. Product differentiation is a feature of the \_\_\_\_\_ market.
8. The kinked demand curve was developed by \_\_\_\_\_

State whether True or False :

9. Under perfect competition, each seller is a price taker but can produce and sell any quantity of output.
10. The level of output in the monopoly market is less than the competitive market.
11. Under monopolistic competition, the AR curve is steeper than the Monopoly market.
12. Under oligopoly, a price rise will be followed by other firms.

(12 x 3 = 36 weightage)

II. Short Answer Type Questions. Answer all *nine* questions.

13. Examine the features of monopoly market.
14. What are the social costs of monopoly ?
15. What is meant by product differentiation ?
16. What are the features of oligopoly ?
17. What is meant by selling cost ?
18. Why does the demand curve under oligopoly have two portions ?
19. What are the conditions of price discrimination under monopoly ?
20. Comment on input pricing in the competitive market.
21. What is meant by input pricing ?

(9 x 1 = 9 weightage)

III. Short Essay Questions. Answer any *five*.

22. What are the features of perfect competition ?
23. Examine the various types of oligopoly pricing.
24. Comment on product pricing in monopoly market.

25. Comment on the market demand curve for an input and its elasticity.
26. What are the methods to regulate monopoly ?
27. Examine the various degrees of price discrimination.
28. Comment on the AR and MR curves in the monopolistic competitive market.

(5 x 2 = 10 weightage)

IV. Essay Questions. Answer any *two* of the following :

29. Examine the kinked demand curve model of oligopoly.
30. Define monopolistic competition. How are prices determined in the competitive market ?
31. How are prices determined in the perfect competitive market in the market period, short run and long run ?

(2 x 4 = 8 weightage)