

**SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2017****(CUCBCSS—UG)****Core Course—Economics****ECO 2B 02—MICROECONOMICS—II****(Multiple Choice Questions for SDE Candidates)****Time : 15 Minutes****Total No. of Questions : 20****Maximum : 20 Marks****INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

## ECO 2B 02—MICROECONOMICS—II

(Multiple Choice Questions for SDE Candidates)

1. Cost functions are derived from :  
(A) Demand functions. (B) Production functions.  
(C) Supply functions.
2. The total fixed cost is a :  
(A) Horizontal straight line. (B) Vertical.  
(C) Hyperbola.
3. The shape of TVC and TC are :  
(A) Rectangular hyperbola. (B) Inverse 'S' shape.  
(C) Horizontal straight line.
4. The MC curve cuts the AC curve at :  
(A) The maximum point. (B) The initial Point.  
(C) The minimum Point.
5. If the long run cost curve shifts down wards it is an indication of :  
(A) Technological progress. (B) Lower factor prices.  
(C) Both of these.
6. At the point of equilibrium of a monopolist MC cuts MR curve :  
(A) From below. (B) From above.  
(C) At point of equality of AC and AR. (D) None.
7. Lerner Index is a measure of :  
(A) Elasticity of demand. (B) Monopoly power.  
(C) Inequality. (D) None.

8. Railways is an example of :
- (A) Simple monopoly. (B) Differentiated monopoly.  
(C) Natural monopoly. (D) Monopsony.
9. Bilateral monopoly is a market with :
- (A) Single buyer. (B) Single seller.  
(C) Single buyer and single Seller. (D) Few buyers and sellers.
10. Selling more than one product at a single price :
- (A) Dumping. (B) Bundling.  
(C) Discounting. (D) Off loading.
11. Individual firm has no control on the price of the commodity in the market is a condition of :
- (A) Perfect competition. (B) Monopoly.  
(C) Monopolistic competition. (D) Bilateral monopoly.
12. One of the essential conditions of perfect competition is :
- (A) Product Differentiation.  
(B) Multiplicity of prices for identical product at any one time.  
(C) Many sellers and few buyers.  
(D) Only one price for identical goods at any one time.
13. The condition of short run equilibrium under perfect competition is :
- (A)  $MC = MR$ . (B) MC cuts MR from below.  
(C) MC is rising when it cuts AR. (D) All the above.
14. The marker structure in which number of sellers is small with interdependence is called :
- (A) Perfect competition. (B) Monopoly.  
(C) Monopolistic competition. (D) Oligopoly.
15. The cost incurred to alter the position or slope of demand curve is known as :
- (A) Marginal cost. (B) Selling cost.  
(C) Alternate cost. (D) Additional cost.

Turn over

16. Kinked demand curve explain which of the following features of oligopoly :

- (A) Selling cost.
- (B) Price rigidity.
- (C) Non-price competition.
- (D) Product differentiation.

17. Demand curve of a firm under monopolistic competition is :

- (A) Parallel to X-axis.
- (B) Parallel to Y-axis.
- (C) Downward slopping.
- (D) Upward slopping.

18. In the short run, a monopolistically competitive firm can have :

- (A) Abnormal profit.
- (B) Loss.
- (C) Normal profit.
- (D) Any of the above are possible.

19. Refrigerator company is an example of :

- (A) Oligopoly.
- (B) Perfect competition.
- (C) Monopoly.
- (D) Bilateral monopoly.

20. Which of the following is a form collusive oligopoly :

- (A) Bilateral monopoly.
- (B) Monopoly.
- (C) Cartel.
- (D) Kinked Oligopoly.