

C.E.S. COLLEGE OF ARTS AND COMMERCE, CUNCOLIM, SALCETE, GOA
F.Y.B.A. II SEMESTER END EXAMINATION, APRIL, 2018
ECONOMICS
MICRO ECONOMICS -II
(Core Course- ECO DSC-I)

DATE: 26/4/2018

TIME: 10.00 am to 12.00 noon

MAX. MARKS: 80

Instructions:

1. All questions are compulsory
2. Figure to the right indicate marks allotted for the question.
3. Draw appropriate diagram wherever necessary

Q1. Answer any four of the following questions in not more than 100 words: (4x4=16)

- a) Outline the meaning of the term production.
- b) Explain the concepts of Total Product, Average Product and Marginal Product.
- c) Discuss why Isoquants are generally convex to origin?
- d) Distinguish between Implicit and Explicit Costs.
- e) Bring out the relationship between Average Cost Curve and Marginal Cost Curve.
- f) Can Long Run Average Total Cost curve be L-shaped? Discuss.

Q2. Answer any four of the following questions in not more than 100 words: (4x4=16)

- a) Distinguish between Normal and Supernormal Profits.
- b) Explain shut-down condition of the firm.
- c) Discuss the reasons behind the Kinked Demand Curve in the Oligopolistic market.
- d) Why selling costs are important under monopolistic competition.
- e) Explain any four types of price discriminations.
- f) Explain the concept of Value of Marginal Physical Product (VMPP)

Q3. (a) What are Isoquants? Explain how they can be used to explain the conditions of Producer's Equilibrium. (12)

OR

Q3. (x) Explain the Law of Returns to Scale. (12)

Q.4. a) Explain the Various concepts of short run cost curves? Comment on the inter relationship between them. (12)

OR

Q.4 x) Explain the concept of: (6X2=12)
a) Opportunity Cost
b) Long-run Average Total Cost and Long run Marginal Cost.

Q.5. a) Explain the equilibrium of the firm with TR-TC Approach. Draw a diagram and mark break-even point (BEP). Derive the formula for calculating BEP. (12)

OR

Q5. x) Distinguish between Monopolistic Competition and Perfect Competition (6)
y) Discuss why the Concept of Group is important in Monopolistic Competition? Explain how group attains equilibrium under monopolistic competition. (6)

Q6. a) Explain how price-output is determined by the Discriminating Monopoly firm. (6)
b) Explain long run equilibrium of perfectly competitive firm and Industry. (6)

OR

x) Critically examine the Marginal Productivity Theory of factor price determination. (12)

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