TB242543G

Reg. No :...............................

Name :.................................

BACHELOR'S DEGREE (C.B.C.S) EXAMINATION, MARCH 2024

2023 ADMISSIONS REGULAR

SEMESTER II - CORE COURSE ECONOMICS

EC2C02B23 - Micro Economic Analysis

Time : 3 Hours

Maximum Marks : 80

Part A

I. Answer any Ten questions. Each question carries 2 marks **(10x2=20)**

1. What are Economies of Scale and Diseconomies of Scale?
2. Define Cost Function.
3. Graphically illustrate firm's demand curve in a perfectly competitive market.
4. Illustrate the TR, AR and MR curves of a perfectly competitive firm.
5. 'In the long run, firms in a perfectly competitive market earn zero economic profit'. Validate the statement.
6. Explain the new cost introduced by Chamberlin.
7. What is barometric price leadership?
8. Explain the problem of adverse selection.
9. Define interest rate differential.
10. Define 'quasi-rent'.
11. What is 2 x 2 x 2 model General Equilibrium?
12. What is General Equilibrium?

Part B

II. Answer any Six questions. Each question carries 5 marks **(6x5=30)**

13. Explain the L-shaped Long Run Average Cost Curve.
14. Differentiate between the terms 'price-taker and price-maker. Use diagrams to illustrate them.
15. Explain the short-run equilibrium of the industry under perfect competition.
16. Explain the equilibrium with new firms entering the industry under monopolistic competition.
17. Explain Cournot's duopoly model.
18. Explain Keynes' Liquidity preference theory of interest.
19. Explain the reasons for interest rate differential
20. How is simultaneous equilibrium of consumption and production attained?
21. Discuss Betham's and Cardinalist criterion of Welfare.

Part C

III. Answer any Two questions. Each question carries 15 marks **(2x15=30)**

22. Draw the graphs of the ATC, AVC, and MC curves. What is the relationship between (i) ATC and AVC curves (ii) MC and AVC curves?
23. Compare and contrast monopoly market situation and profit-maximisation with that of perfect competition.
24. Explain the monopolistic competition and the methods of equilibrium determination.
25. Critically analyse the Ricardian theory of rent.