

2022

ECONOMICS

[Honours]

(B.Sc. Fourth Semester End Examination-2022)

PAPER-C8T

Full Marks: 60

Time: 03 Hrs

The figures in the right hand margin indicate marks

Candidates are required to give their answers in their own words as far as practicable

Illustrate the answers wherever necessary

Group-A

- 1) Answer any ten questions from the following: 10x2= 20
- a. What is derived demand?
 - b. What is meant by marginal Revenue Product?
 - c. What bilateral monopoly?
 - d. What do you mean by economic efficiency in competitive market?
 - e. Define contract curve
 - f. State the first fundamental theorem of welfare economics.
 - g. What is proportional demand curve?
 - h. What do you mean by first degree price discrimination?
 - i. What is Learner Index of Monopoly Power?
 - j. What is meant by positive externality? Give example.

(2)

- k. What do you mean by collusive oligopoly?
- l. What do you mean by mark-up pricing?
- m. Mention two reasons of market failure.
- n. What is Face rider problem?
- o. What is deadweight loss?

Group-B

Answer any four questions from the following: 4x5 = 20

- 2) Write down the conditions for market efficiency in a competitive market. 5
- 3) Explain how wage and employment is determined in a monopolistic labour market. 5
- 4) Show the relationship between VMP and MRP curve when there is perfect competition and imperfect competition in product market. 5
- 5) In a two good interdependent market show that an effect of price change has different results under partial equilibrium and general equilibrium. 5
- 6) Explain price rigidity from Sweezy's kinked demand curve model. 5
- 7) What is practo efficient allocation? How is a contract curve related to such allocation? 3+2

(3)

- 8) Suppose you are the manager of a watch making firm operating in a competitive market your cost of production is given by $C=100+Q^2$, where Q is the level of output and C is total cost.
 - i) If the price of watches is Rs.60 per unit how many watches would you produce to maximize profit?
 - ii) What will be the profit-level? 3+2

Group -C

Answer any two questions of the following: 10x2 = 20

- 9) Consider an Edgeworth box economy in which the consumers have the cob-Douglas utility function $U_1(X_{11}, X_{21}) = X_{11}^\alpha X_{21}^{(1-\alpha)}$ and $U_2(X_{12}, X_{22}) = X_{12}^\beta X_{22}^{(1-\beta)}$. Consumer i's endowments are $(w1i, w2i) > 0$ for $i=1,2$. Solve for equilibrium price ratio and allocation of the two goods. 2+8
- 10) What is 'Kinked' demand curve? Explain the Kinked demand curve of an oligopoly market. 2+8
- 11) Amonopoliat can charge different prices in two separate markets whose demand and cost functions are as follows $P_1=80-5q_1, P_2=180-20q_2$ and $c=20 (q_1+q_2)$. Find out the optimal price quantity combination in each market and her total profit level. 3+3+4
- 12) Explain monopolistic and monopsonistic exploitation of laborn. Explain the role of trade union in this context. 3+3+4