



Avinashilingam Institute for Home Science and Higher Education for Women

(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)

Re-accredited with 'A+' Grade by NAAC. Recognised by UGC Under Section 12B

Coimbatore - 641 043, Tamil Nadu, India

Bachelor's Degree Examination – June / July 2021

II Semester

Class : I UG
Major : Economics

Time : 3 Hours
Max. Marks : 100

18BECC04 Micro Economics II

Part A

10 x 1 = 10

Choose the Correct Answer

1. Who conceived the time element?
a. Alfred Marshal
b. Cournot
c. Frederick Benham
d. Jevons
CO1 K1
2. Very short run means _____ weeks.
a. few
b. 365
c. 480
d. All the above
CO1 K2
3. In Perfectly competitive market individual firms are
a. price taker
b. price leader
c. price maker
d. price discriminators
CO2 K2
4. AR is equal to MR under
a. monopoly
b. monopsony
c. dumping
d. perfect competition
CO2 K3
5. Product differentiation prevails in
a. perfect competition
b. monopolistic competition
c. duopoly
d. oligopoly
CO3 K2
6. Price rigidity is the feature of _____ market.
a. duopoly
b. oligopoly
c. monopsony
d. monopoly
CO3 K3
7. Quasi-rent arises in
a. man-made appliances
b. homemade items
c. imported items
d. natural resources
CO4 K4
8. If there is perfect competition in the factor market, the firm is in equilibrium when
a. $MRP=ARP$
b. $VMP=Price$
c. $MFC = MRP$
d. $MPP=VMP$
CO4 K4
9. _____ is a situation where interest rate will not further reduce.
a. Liquidity trap
b. Stagflation
c. Inflation
d. Deflation
10. Profit is the reward for "risk taking" in business is said by
a. A.Schumpeter
b. Clark
c. H.Knight
d. F.B.Hawley
CO5 K1

Part B
Answer ALL questions
Each answer should not exceed 400 words or two pages

5 x 6 = 30

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|--|--------|
| 11.a. Distinguish between short run and long run.
(or) | CO1 K2 |
| 11.b. Define market. Indicate the features of market. | CO1 K2 |
| 12.a. List the features of perfect competition.
(or) | CO2 K3 |
| 12.b. Explain short run equilibrium of the firm under perfect competition. | CO2 K4 |
| 13.a. Explain the types of price discrimination.
(or) | CO3 K2 |
| 13.b. Point out the advantages and disadvantages of duopoly. | CO3 K4 |
| 14.a. Explain the subsistence theory of wages.
(or) | CO4 K2 |
| 14.b. Estimate the determinants of factor rewards. | CO4 K5 |
| 15.a. Examine liquidity preference theory.
(or) | CO5 K3 |
| 15.b. Explain dynamic theory of profit. | CO5 K2 |

Part C
Answer ALL questions
Each answer should not exceed 800 words or four pages

5 x 12 = 60

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| 16.a. How markets are classified? Examine it.
(or) | CO1 K3 |
| 16.b. Examine the features of monopolistic competition. | |
| 17.a. Appraise the role of time element in price determination.
(or) | CO2 K5 |
| 17.b. Analyse the equilibrium of the industry under perfect competition. | CO2 K4 |
| 18.a. Critically evaluate the Cournot's model of duopoly.
(or) | CO3 K5 |
| 18.b. Illustrate kinked demand curve and point out its limitations. | |
| 19.a. Enumerate the product exhaustion theorem.
(or) | CO4 K1 |
| 19.b. Describe the marginal productivity theory of distribution. | CO4 K1 |
| 20.a. Explain the concept of profit. "Profit is the reward for innovation"
explain in detail the statement.
(or) | CO5 K2 |
| 20.b. Generalise the classical theory of interest. | CO5 K2 |
