



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 Supplementary Examination – June/July 2021
II Semester

Class : 2018 Batch
Major : Economics

Time : 3 Hours
Max.Marks : 100

18BECC04- Micro Economics-II

Course Outcomes:

1. Know the concepts of market and time element.
2. Understand the working of different market structure.
3. Identify the fundamental concept in factor pricing.
4. Comprehend the theories of factor pricing
5. Assess the relevance of market and factor pricing models in the current scenario.

Part-A

10X1=10

Answer all Questions

Choose the correct answer

1. Marketing consists of what? CO1K1
 - a. selling at a lower price than rivals sell for
 - b. producing more output to lower average costs
 - c. advertising and packaging
 - d. None of the above answers are correct
2. When a perfectly competitive industry is in long-run equilibrium, all firms in the industry CO2K1
 - a. earn zero economic profits
 - b. produce a level of output where short-run marginal cost is equal to short-run average total cost
 - c. produce a level of output where long-run marginal cost is equal to long-run average cost.
 - d. All of the above are correct
3. Which of the following goods is the best example of a natural monopoly? CO1K2
 - a. natural gas
 - b. Diamonds
 - c. a patented good
 - d. First-class mail
4. Market Price is found in CO1K2
 - a. Short Period Market
 - b. Long Period Market
 - c. Very Long Period Market
 - d. None of these
5. Which is not a condition for equilibrium of a monopoly form? CO1K3
 - a. Average Revenue = Marginal Cost
 - b. Marginal Revenue = Marginal Cost
 - c. Marginal Cost should cut the Marginal Revenue Curve from below
 - d. Both (b) and (c).
6. The marginal productivity theory shows CO3K3
 - a. an addition made to total output by an additional unit of factor of production
 - b. Money value of the marginal unit of production
 - c. Factor price equals the value of its marginal product
 - d. Net revenue earned by selling the marginal unit of production.

7. Which of the following theories of wages is associated with the name of economists, Walker? CO2K4
 a. subsistence theory b. Wage-fund theory
 c. Residual claimant theory d. Marginal productivity theory.
8. Quasi rent refers to CO4K4
 a. rent on account of fixed supply of land
 b. Long term return on machines and equipment
 c. surplus earned by a machine in the short period
 d. Long- term reward for human ability.
9. The loanable fund theory of interest is also known as CO3K5
 a. the neo-classical theory of interest
 b. The classical theory of interest
 c. The real theory of interest
 d. The modern theory of interest.
10. Which is not a characteristic of normal profit? CO1K5
 a. earned in the long-run
 b. Neither attracts entry nor compels exit of a firm from the industry
 c. Does not accrue to the marginal entrepreneur
 d. Enters into the cost of production.

Part-B

5X6= 30

Answer all the questions

Each answer should not exceed 400 words or one page

- 11 a. What are the factors influencing the size of the market? CO1K1
 (or)
- 11 b. Explain the very short period and long period market with help of diagram. CO2K1
- 12 a. Write down the features of perfect competition market CO1K2
 (or)
- 12 b. Describe the concept of discriminating monopoly with the help of diagram CO4K2
- 13a. write the role of time element in price determination under perfect competition CO1K3
 (or)
- 13b. Briefly Illustrate the Cournot's Model of Duopoly market with diagrammatical Representation. CO2K3
- 14 a. What are the types of monopoly markets? CO1K4
 (or)
- 14 b. Explain the Euler's Product Exhaustion Theorem's equation with the diagram CO2K4
- 15 a. Write a short note on Knight's Theory or the Uncertainty-Bearing Theory CO1K5
 (or)
- 15.b. Examine the Marginal Productivity Theory of Wages with the help of figure CO2K5

Part- C

5X12=60

Answer all the questions

Answer should not exceed 800 words

- 16 a. Elaborately explain the classification of markets in the economy CO4K1
 (or)
- 16 b. Discuss how the firm and industry get equilibrium under perfect competition market CO3K1
- 17 a. Describe the features of Monopoly and how the monopoly firms get short run and long run equilibrium CO3K2
 (or)

- 17 b. How the monopolistic markets come to equilibrium? Explain with the diagram and its defects also. CO2K3
- 18 a. Discuss the features of Oligopoly markets and describe the Kinked demand curve with the help of diagram. CO3K3
- (or)
- 18 b. Debate how the factors pricing determining by the market forces? CO3K4
- 19 a. Discuss the Ricardian theory of Rent and Marshall's Quasi Rent. CO3K4
- (or)
- 19 b. Critically examine the Marginal productivity theory of distribution? CO4K4
- 20 a. Critically examine Keynesian Liquidity preference theory of interest. CO4K5
- (or)
- 20 b. Discuss the Classical Theories of Wages. CO3K5
