2022

Time - 3 hours

Full Marks - 80

*Answer **all groups** as per instructions.*
Figures in the right hand margin indicate marks.
Candidates are required to answer
in their own words as far as practicable.

GROUP – A

1. Answer all questions by choosing the correct answer from the given options below each question.   [1 × 12

(a) Which of the following refers to market price ?

  (i)   Very short period price   (ii)   Short period

  (iii) Long period price   (iv)   All the above

(b) Supply of a perishable goods is –

  (i)   Perfectly elastic   (ii)   Perfectly inelastic

  (iii) Unitary elastic   (iv)   None of the above

(c) Normal price is determined in –

  (i)   very short run   (ii)   short run

  (iii) long run   (iv)   all of the above

(d) Which of the following conditions implies allocative effici-ency ?

   (i)   Consumer and producer surplus are minimised.

   (ii) Consumer surplus is more than producer surplus.

   (iii) Consumer surplus is less than producer surplus.

   (iv) Consumer and producer surplus are maximised.

(e) Which of the following shows the conditions of equilibrium ?

   (i)   MC = MR and MC cuts MR from above.

   (ii) MC > MR and MC cuts MR from below.

   (iii) MC = MR and MC cuts MR from below.

   (iv) None of the above

(f) Which of the following conditions shows break even ?

   (i)   Both profit and loss are zero.

   (ii) Maximum profit

   (iii) Minimum loss

   (iv) None of the above

(g) Under which condition, a firm gets maximum profit ?

   (i)   AR = AC   (ii) AR = MR

   (iii) AR > AC   (iv) None of the above

(h) Which of the conditions is satisfied when a firm shuts down ?

(i) P = MC

(ii) P = AVC

(iii) AR > AC

(iv) MC = MR

(i) Short run supply curve of a firm is –

(i) Portion of MC curve that lies above the minimum point of AVC.

(ii) Whole MC curve

(iii) AR curve

(iv) None of the above

(j) Partial equilibrium analysis is associated with –

(i) W.W. Leontief

(ii) A. Marshall

(iii) Walras

(iv) A. Cournot

(k) The concept of General Equilibrium was first propounded by –

(i) W.W. Leontief

(ii) A. Marshall

(iii) Walras

(iv) A. Cournot

(l) General equilibrium refers to –

(i) All markets in the economy are simultaneously in a state of equilibrium.

(ii) All markets of a product are simultaneously in a state of equilibrium.

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(iii) All markets in a particular geographic area in a state of equilibrium.

(iv) None of the above

GROUP – B

2. Answer <u>any eight</u> of the following questions within two to three sentences each. [2 × 8

(a) What is general equilibrium ?

(b) Do you consider perfect competition to be Pareto efficient ? Explain briefly.

(c) State the basic properties of production possibility frontier.

(d) Explain the concept of MRS through production possibility curve.

(e) Explain Marginal opportunity cost with diagram.

(f) Define contract curve.

(g) State the conditions of stability in Walrasian General Equilibrium Model.

(h) What is efficiency ?

(i) State Pareto optimality criterion.

(j) What is output mix ?

4. E

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GROUP – C

3. Answer <u>any eight</u> of the following questions within 75 words each.

    [3 × 8

    (a) State Pareto concept of social welfare.

    (b) State the conditions of Pareto optimality.

    (c) Explain consumption efficiency with the help of Edgeworth-Bowley Box Diagram.

    (d) Explain how points on the contract curve and PPC are Pareto efficient.

    (e) State the concept of dead weight loss with diagram.

    (f) State Lerner's measure of monopoly power.

    (g) Explain how monopoly leads to inefficiency and consumer loss.

    (h) State when and under what conditions price discrimination is profitable.

    (i) Explain equilibrium price and output under dumping.

    (j) State the conditions under which stable oligopoly price is maintained.

GROUP – D

Answer **any four** questions within 500 words each.

4. Explain the determination of market period price.   [7

5. Explain the derivation of Long run supply curve subject to increasing constant and decreasing cost conditions. [7

6. State and explain the conditions of Paretian optimality. [7

7. State two welfare theorems with their implications. [7

8. Explain how a discriminating monopoly firm attains equilibrium ? [7

9. Discuss various measures of regulation of monopoly power. [7

10. Explain Nash equilibrium under Game Theory. [7

11. Explain Cournot's model of Duopoly. [7