

(6 pages)

Reg. No. : .....

Code No. : 30595 E Sub. Code : CMEC 21

B.A. (CBCS) DEGREE EXAMINATION, APRIL 2023

Second Semester

Economics — Core

MICRO ECONOMICS — II

(For those who joined in July 2021 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Average revenue equals:

- (a) Total revenue divided by the quantity produced
- (b) Price
- (c) Both (a) and (b)
- (d) None of the above

2. How many ways is cost classification possible?

- (a) there are many ways to use it
- (b) two ways
- (c) three ways
- (d) four ways

3. Which of the following markets have a few numbers of firm

- (a) Oligopoly
- (b) Monopolistic competition
- (c) Perfect competition
- (d) Monopoly

4. Which of the following statements is true about a monopolist?

- (a) A Monopolist is a price taker
- (b) A monopolist is a price maker
- (c) A monopolist is a price acceptor
- (d) All the above

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5. Quasi rent is the income derived from
  - (a) Free gifts of nature
  - (b) Agriculture products
  - (c) Man made machines and appliances
  - (d) All the above
6. The author of the book "The theory of Monopolistic Competition" is
  - (a) J.R. Hicks
  - (b) P.A. Samuelson
  - (c) John Robinson
  - (d) E.H. Chamberlin
7. "Real wages" and "Money wages" ————.
  - (a) The former is a wider concept than the latter
  - (b) The latter is a wider concept than the former
  - (c) Both the concept means the same thing
  - (d) All of the above
8. Standard of living of workers depends upon their
  - (a) Nominal wages
  - (b) Real wages
  - (c) Average product
  - (d) Govt. policy

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9. According to Prof Knight, profit is the reward for
  - (a) Innovation
  - (b) Capital
  - (c) Foreseeable risks
  - (d) Uncertainty bearing
10. Profit is also known as
  - (a) Contractual rent
  - (b) Residual income
  - (c) Net income
  - (d) None of the above

PART B — (5 × 5 = 25 marks)

Answer ALL questions by choosing either (a) or (b).  
Each answer should not exceed 250 words.

11. (a) State the meaning of average cost and marginal cost.  
Or  
(b) Describe concepts of revenue.
12. (a) State the equilibrium of Firm and industry under perfect competition.  
Or  
(b) Show the features of monopoly.

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13. (a) Explain the concept of Quasi Rent

Or

(b) State the meaning of situation rent.

14. (a) Explain the concept of wage.

Or

(b) Differentiate money wage from real wage.

15. (a) Distinguish net profit from gross profit.

Or

(b) Explain dynamic theory of profit.

PART C — (5 × 8 = 40 marks)

Answer ALL questions by choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Discuss the reasons for U shaped long run cost curve.

Or

(b) Explain the short run cost curve.

17. (a) Elucidate the price determination under perfect competition.

Or

(b) Discuss the price determination under monopolistic competition.

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18. (a) Explain the marginal productivity theory of distribution.

Or

(b) Examine the ricardian theory of rent.

19. (a) Explain the wage fund theory.

Or

(b) Discuss the significance of subsistence theory of wages.

20. (a) Explain liquidity preference theory of interests.

Or

(b) Examine risk theory of profit.

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