

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086
(For candidates admitted from the academic year 2023 – 2024)

B. A DEGREE EXAMINATION, APRIL 2024
BRANCH IV ECONOMICS
SECOND SEMESTER

COURSE : MAJOR CORE
PAPER : MICROECONOMICS - II
SUBJECT CODE: 23EC/MC/ME24
TIME : 3 HOURS **MAX. MARKS: 100**

Q. No.	SECTION A PART – A	CO	KL
	Answer all TEN questions in about 50 words each. (10 x 2 = 20)		
1	What is monopolistic competition?	1	1
2	What is product differentiation?	1	1
3	List the types of oligopoly.	1	1
4	List out the types of price leaders in oligopoly.	1	1
5	Define NASH equilibrium.	1	1
6	State the four-fold factors of production.	1	1
7	Explain excess capacity.	1	1
8	What is quasi rent?	1	1
9	Why do wages differ?	1	1
10	What is precautionary motive?	1	1
Q. No.	PART – B	CO	KL
	Answer any TEN questions in about 50 words each. (10 x 2 = 20)		
11	Differentiate between perfect and imperfect competition.	2	2
12	Write down the features of monopolistic competition.	2	2
13	What is kinked demand curve?	2	2
14	Infer the meaning of price war.	2	2
15	What is derived demand?	2	2
16	Give two reasons for the backward sloping supply curve.	2	2
17	Are transportation cost included under production or selling cost?	2	2
18	What is economies of scope?	2	2
19	Compare internal and external economies of scale.	2	2
20	How is interest determined under classical theory?	2	2
21	What is scarcity rent?	2	2
22	Why do markets fail?	2	2
Q. No.	SECTION B PART – A	CO	KL
	Answer any FOUR questions out of SIX in about 250 words each. (4 x 5 = 20)		

23	Distinguish between production cost and selling cost.	3	3
24	Illustrate the difference between collusive and non-collusive oligopoly.	3	3
25	Explain the role of Trade Union in wage determination.	3	3
26	How is price and out determined under monopolistic competition?	3	3
27	Write a note on Innovation theory of profit.	3	3
28	What happens to wages when there is both monopolistic and monopsonistic exploitation?	3	3
Q. No.	PART – B Answer any FOUR questions out of SIX in about 250 words each. (4 x 5 = 20)	CO	KL
29	Critically evaluate the Ricardian theory of rent.	4	4
30	Summarize the reasons for the existence of oligopoly.	4	4
31	Explain price rigidity with the help of Kinked demand curve.	4	4
32	How is equilibrium obtained under Edgeworth duopoly model?	4	4
33	Analyze the wage determination under perfect competition in the labour market.	4	4
34	Externalities lead to market failure – Explain.	4	4
	SECTION C Answer any TWO questions out of FOUR in about 600 words each. (2 x 10 = 20)	CO	KL
35	Justify how price and output under oligopoly is indeterminate.	5	5
36	Evaluate the marginal productivity theory of distribution.	5	5
37	Discuss in detail the adding up problem.	5	5
38	Explain graphically the general equilibrium model.	5	5
