

# C.U.SHAH UNIVERSITY

## Summer Examination-2017

**Subject Name : Micro Economics-II**

**Subject Code : 4CO02MEC2**

**Branch: B.Com (English)**

**Semester : 2**

**Date : 04/05/2017**

**Time : 02:00 To 05:00**

**Marks : 70**

Instructions:

- (1) Use of Programmable calculator & any other electronic instrument is prohibited.
- (2) Instructions written on main answer book are strictly to be obeyed.
- (3) Draw neat diagrams and figures (if necessary) at right places.
- (4) Assume suitable data if needed.

- Q-1 Attempt the following questions: (14)**
- |           |   |   |
|-----------|---|---|
| <b>a)</b> | Demand curve shows relation between.....  | 1 |
|           | (a) income and demand (c) expense and demand  |   |
|           | (b) Price and demand (d) advertisement and demand   |   |
| <b>b)</b> | Perfect monopoly is.....  | 1 |
|           | (a) realistic (c) unrealistic   |   |
|           | (b) practical (d) realistic and unrealistic   |   |
| <b>c)</b> | Price discrimination of services is.....  | 1 |
|           | (a) always possible (c) never possible  |   |
|           | (b) seldom possible (d) may or may not possible   |   |
| <b>d)</b> | Selling expenses is the most important characteristic of.....                                       | 1 |
|           | (a) Perfect monopoly (c) oligopoly  |   |
|           | (b) Monopoly (d) monopolistic competition   |   |
| <b>e)</b> | By continuing the selling cost when the customer has already completed the purchase it creates..... | 1 |
|           | (a) Rise in demand (c) no decline in demand   |   |
|           | (b) Decline in demand (d) no rise in demand   |   |
| <b>f)</b> | Price rigidity in oligopoly is a.....   | 1 |
|           | (a) Special event (c) uncommon event  |   |
|           | (b) Sudden event (d) common event   |   |
| <b>g)</b> | Contract rent is known by which another name ?  | 1 |
|           | (a) Differential rent (c) Economic rent   |   |
|           | (b) Periodic rent (d) rent  |   |
| <b>h)</b> | Who first introduced the concept of differential rent ?   | 1 |
|           | (a) Sydney Veb (c) Mrs. Joan Robinson   |   |
|           | (b) David Ricardo (d) Litrason  |   |
| <b>i)</b> | Labour is the.....of production.  | 1 |
|           | (a) Means (c) means and ends  |   |



- |    |  |                           |   |
|----|--|---------------------------|---|
|    | (b) Ends   | (d) nothing               |   |
| j) | In comparison to other factors of production, labour is..... |                           | 1 |
|    | (a) Perfectly dynamic  | (c) less dynamic          |   |
|    | (b) Less dynamic   | (d) non-dynamic           |   |
| k) | Interest is the return of what ?                             |                           | 1 |
|    | (a) Labour   | (c) Capital               |   |
|    | (b) Land   | (d) Manager               |   |
| l) | Which bank's function is to maintain stable economy ?        |                           | 1 |
|    | (a) IDBI Bank  | (c) State Bank of India   |   |
|    | (b) Nationalised Bank  | (d) Central Bank          |   |
| m) | How can be the income of profit ?                            |                           | 1 |
|    | (a) Positive   | (c) substantial           |   |
|    | (b) Negative   | (d) any one type of above |   |
| n) | Income of which factor of production can be negative also ?  |                           | 1 |
|    | (a) Labour   | (c) Land                  |   |
|    | (b) Entrepreneur   | (d) Capital               |   |

**Attempt any four questions from Q-2 to Q-8**

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|------------|--|-------------|
| <b>Q-2</b> | <b>Attempt all questions</b>   | <b>(14)</b> |
| a)         | What is perfect competition? Explain the characteristics of perfect competition.                                   | 7           |
| b)         | Explain the equilibrium of the firm in short term in perfect competition.  | 7           |
| <b>Q-3</b> | <b>Attempt all questions</b>   | <b>(14)</b> |
| a)         | Explain the meaning of Monopoly and its Characteristics.   | 7           |
| b)         | Write a short note – Types of monopoly   | 7           |
| <b>Q-4</b> | <b>Attempt all questions</b>   | <b>(14)</b> |
| a)         | What is Price discrimination? Explain the various types of price discrimination.                                   | 7           |
| b)         | Write a short note on product differentiation.   | 7           |
| <b>Q-5</b> | <b>Attempt all questions</b>   | <b>(14)</b> |
| a)         | Customers are neutral regarding the choice of products in monopolistic competition market. Explain this statement. | 7           |
| b)         | Give Differences – Production Cost and Selling Cost  | 7           |
| <b>Q-6</b> | <b>Attempt all questions</b>   | <b>(14)</b> |
| a)         | Explain the concept of kinked demand curve in oligopoly.   | 7           |
| b)         | Write a short note on real wages.  | 7           |
| <b>Q-7</b> | <b>Attempt all questions</b>   | <b>(14)</b> |
| a)         | Discuss the factors affecting rate of interest.  | 8           |
| b)         | Give differences – Gross Profit and Net Profit   | 6           |
| <b>Q-8</b> | <b>Attempt all questions</b>   | <b>(14)</b> |
| a)         | What is Quasi-rent ? Explain it with the help of illustration and figure.  |             |

