B2M17158 (Pages : 2) Reg. No:.....

Name: .....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Second Semester BA Economics Degree Examination, March 2017

ECO2B02 – Micro Economics II

(2016 Admission onwards)

Max. Time: 3 hours Max. Marks: 80

Part A

Answer all Questions

1. The following are conditions of perfect competition except
(a) Strong barriers to entry (b) Sellers are large in number
(c) Commodity produced is homogenous (d) Buyers are large in number

2. If we have a perfectly competitive industry with upward sloping supply curve shows that
(a) the industry has constant costs (b) the industry has decreasing costs.
(c) the industry has increasing costs (d) the industry has a fluctuating cost

3. Which of the following cost always decreases as output increases?
(a) Short run average fixed cost only (b)Average variable and Average fixed cost.
(c) Short-run and long run average cost (d)Short-run marginal cost

4. Which of the following is ONLY applicable to long run equilibrium under perfect competition
(a)MC=MR = PRICE = AC (b)AR=AC < PRICE=DEMAND
(c) AR=AC & MC=MR (d) P = AR = MR = MC = LRMC = ATC = LRAC

5. A firm decides to shut down when
(a)Average cost and Price are equal (b) Marginal cost and Price are equal
(c) Price is equal to Average Variable cost (d)MC equal to total cost

6. Consumers surplus is fully taken away by the producer by charging highest possible price in case of
(a)Dumping (b)First Degree price discrimination
(c) Second Degree price discrimination (d)Final Degree price discrimination

7. What happen to consumers surplus if a perfect competitive firm moving to monopoly
(a)A fall in consumer surplus (b) A rise in producer surplus.
(c)A deadweight loss (d) All the above

8. Which is the best example of two part tariff?
(a) A doctor charges high consultation fee from rich and low consultation fee from poor.
(b) High import duty and low Export duty.
(c) Collecting Entry fee and per ride charge separately in an amusement park
(d) All the above

9. A monopolist firm
(a) Is a price taker (b)Is free from market forces
(c)Is with a downward sloping demand curve (d) All the above are possible

10. When the number of firms in a market increases, the demand curve faced by the firm will become
(a)Perfectly elastic (b)More and more elastic
(c)More and more inelastic (d)Elasticity becomes zero

11. Marginal productivity theory was introduced by
(a) Paul Samualson (b)J B Clark
(c) J S Mill (d)E H Chamberline

12. Under Cournot model of duopoly each firm finally produces
(a)$1/4^{th}$ of total output (b)$1/3^{th}$ of total output
(c)$1/2^{rd}$ of total output (d)$1/8^{th}$ of total output

(12 x ½ = 6 Marks)

Part B
Very Short answer type Questions
Answer any ten questions

13. Distinguish between Private cost and Social cost?
14. Write a note on reserve capacity?
15. What are the implications of L shaped cost curves.
16. What is the difference between perfect competition and pure competition?
17. Where you can identify the shut down point of perfect competiton?
18. Draw the diagram showing equilibrium condition under monopsony?
19. What are the methods to control monopoly?
20. Distinguish between production cost and selling cost?
21. What is price leadership?
22. What is tying and bundling
23. Describe the nature of supply curve of labour?
24. Write a note on international price discrimination?

(10 x 2 = 20 M

Part C
Short Essay Questions
Answer any Six questions

25. Prepare a cost schedule showing MC, AC and TC? Draw different cost curves.
26. Draw and compare the nature of AR and MR curves under perfect competition, mo monopolistic competition?
27. What are the features of monopoly? How monopoly can be measured?
28. How equilibrium is attained in bilateral monopoly market?
29. How supply curve of an industry is derived in case of increasing cost industry under competition?
30. What is price elasticity of demand for an input? What are its determinants?
31. Describe Cournot model of oligopoly?
32. What is product differentiation? What are the tools used by firms for product diffe

(6 x 5 = 30 Marks)

Part D
Essay Questions
Answer any Two questions

33. Critically evaluate marginal Productivity theory of distribution?
34. Explain kinked model of duopoly? Do you agree that it is a theory of price rigidity fixation?
35. What is price discrimination? Explain different degrees of price discrimination?
36. Analyse the role of government intervention in perfect market with special referenc imposition of tax and subsidy?

(2 x 12

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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Second Semester BA Economics Degree Examination, March 2017

ECO2C04 – Mathematics Tools for Economics II

(2016 Admission onwards)

x. Time: 1 ½ hours Max. Marks: 40

PART A

Answer ***all*** questions, Each question carries $\frac{1}{2}$ marks

A-Multiple Choice Questions

1. If A is a symmetric matrix, then A^t =

   A) A B) |A| C) 0 D) diagonal matrix

2. Transpose of a column matrix is

   A. zero matrix B) diagonal matrix C) column matrix D) row matrix

3. What is a, if $B = \begin{bmatrix} 1 & 4 \\ 2 & a \end{bmatrix}$ is a singular matrix ?

   A) 5 B) 6 C) 7 D) 8

4. If R = ((1, 1), (3, 1), (2, 3), (4, 2)), then which of the following represents R2, where R2 is R composite R?

   A. ((1, 1), (3, 1), (2, 3), (4, 2))

   B. f(1, 1), (9, 1), (4, 9), (16, 4))

   C. 1(1, 3), (3, 3), (3, 4), (3, 2))

   D. ((1, 1), (2, 1), (4, 3), (3, 1))

5. Order of the power set of a set of order n is

   A) n B) 2n C) n^2 D) 2n

6. The empty set is denoted by

   A) {0} B) $\{\phi\}$ C) ϕ D) none of the above

(6 x $\frac{1}{2}$ = 3 marks)

Part B (Short Answer Type Questions)

Answer *any six* questions

7. Given U={0,1,2,3,4,5,6,7,8,9} is a universal set and A={1,2,3,4,5}, B={2,4,6} C={1,3,5}Write the following sets:

   a) (B∩A)U C b) (A-B')'

8. State distributive law of set. Give a suitable example

9. In a class of 100 students 63 like oranges and 76 like apples. How many of them like both. Show by Venn diagram.

10. Explain different types of sets.

11. If $\begin{matrix} x & 4 \\ -3 & x \end{matrix} = \begin{matrix} 7 & 3x \\ 2 & 1 \end{matrix}$ Find x.

12. Explain inverse of the matrix.

13. Explain minors and cofactors.

14. Find adjoint of $A = \begin{matrix} 1 & 1 & 1 \\ 1 & 2 & -3 \\ 3 & 2 & -1 \end{matrix}$

(6 x 2 = 12 marks)

Part C

(Short Essay Questions)

Answer any **three** questions

Each question carries 5 marks

15. If $A = \{1,2,3,4\}, B = \{3,4,5,6\}$ and $U = \{0,1,2,3,4,5,6,7,8,9\}$then verify that
    i. $A - B = A \cap B' = B' - A'$
    ii. $(A - B)U(B - A) = (AUB) - (A \cap B)$
16. Draw Venn diagram to show that
    i. $(A \cap B)' = A'UB'$
    ii. $A \cap (BUC) = (A \cap B)U(AUC))$
17. Explain the properties of set union and intersection
18. Find the inverse of the matrix. $A = \begin{matrix} 1 & 1 & 2 \\ 2 & -1 & 1 \\ 2 & 2 & 1 \end{matrix}$

(3 × 5=15 M

Part D (Essay Questions)

Answer any *one*

19. Solve the following simultaneous equations by Cramer's rule

    $5x - y + 4z = 5,\ 2x + 3y + 5z = 2,\ 7x - 2y + 6z = 5$

20. Verify $A.adj\ A = adj\ A.A = |A|I$ given that

$$A = \begin{matrix} 1 & 1 & 2 \\ 2 & -1 & 1 \\ 2 & 2 & 1 \end{matrix}$$

(1 x 10=10 M