

END TERM EXAMINATION

THIRD SEMESTER [B.COM] NOVEMBER-DECEMBER 2017

Paper Code: B.Com 205

Subject: Micro-Economics-II

Time : 3 Hours

Maximum Marks : 75

Note: Attempt any five questions. All questions carry equal marks.

- Q1. Explain the pricing decisions under the conditions of perfect competition. Can a firm make profits both in the short-run and in the long run? Explain.
- Q2. a) Differentiate between accounting and economic profit?
b) What do you mean by producer surplus? Graphically depict producer surplus under given supply and demand conditions in a perfectly competitive market.
- Q3. "Firms in a monopoly market tend to sell lesser output at a higher-than-equilibrium price. This forms the basis for the existence of the Monopoly and Restrictive Trade Practices (MRTP) Act". Explain the pricing mechanism in a monopoly market in the light of this statement.
- Q4. a) Compare pure competition with monopoly?
b) What are the relevant considerations in pricing Public Utilities?
- Q5. What is a kinked demand curve? Explain the price-output behavior in an oligopoly market.
- Q6. a) Explain Prisoner's dilemma.
b) Discuss Stackelberg Model.
- Q7. a) Explain the role of trade unions in wage determination.
b) Is there any need for government intervention in factor market? Explain.
- Q8. Analyse reward determination of factors under the conditions of monopsony, monopolistic and monopsonistic exploitation.

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