

2 0 2 1

(2nd Semester)

ECONOMICS

Paper : ECO-201

(Microeconomics—II)

(New Course)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

*The figures in the margin indicate full marks
for the questions*

1. (a) What is long run? Examine the equilibrium of a firm under perfect competition in the long run. 2+7=9

Or

- (b) Explain the methods for measuring monopoly power. 9

2. (a) What is group equilibrium? Explain Chamberlin's approach to group equilibrium. 2+7=9

Or

- (b) What is supernormal profit? Explain how an individual firm attains equilibrium under monopolistic competition. 2+7=9

3. (a) What is stable equilibrium? Does Cournot's duopoly model provide stable equilibrium? Explain. 2+7=9

Or

- (b) Explain price rigidity with the help of kinked demand curve. 9

4. (a) Critically examine the modern theory of wages. 9

Or

- (b) Explain the modern theory of rent. 9

5. (a) "Profit is the reward for uncertainty bearing." Discuss. 9

Or

- (b) What is profit? Explain the innovation theory of profit. 2+7=9
