



**2024/TDC (CBCS)/EVEN/SEM/
ECOHCC-401T/272**

TDC (CBCS) Even Semester Exam., 2024

ECONOMICS

(4th Semester)

Course No. : ECOHCC-401T

(Intermediate Microeconomics—II)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

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

UNIT—I

1. Answer any two of the following questions :

2×2=4

- (a) Define partial equilibrium.
- (b) What is contract curve?
- (c) What is Pareto's efficiency in distribution?

2. Answer any one of the following questions : 10

- (a) Define general equilibrium in an economy with perfect competition in product and factor market. Clearly state all the conditions for existence of such an equilibrium.



(2)

- (b) What is social welfare function? How is Bergson-Samuelson social welfare function achieved? $2+8=10$

UNIT—II

3. Answer any *two* of the following questions : $2 \times 2 = 4$

- (a) Write two features of monopoly market.
(b) What do you mean by excess capacity under monopolistic competition?
(c) Differentiate between third-degree and second-degree price discrimination.

4. Answer any *one* of the following questions : $2 \times 2 = 4$

- (a) Discuss the conditions under which price discrimination is possible. Explain that price discrimination is profitable when elasticities of demand in the two markets are different. $4+6=10$
(b) Explain the conditions of equilibrium under monopolistic competition. Why is the demand curve under monopolistic competition flatter than monopoly market? $6+4=10$

(3)

UNIT—III

5. Answer any *two* of the following questions : $2 \times 2 = 4$

- (a) What does 'payoff' mean in game theory?
(b) What is Saddle point?
(c) Differentiate between zero-sum and non-zero sum game.

6. Answer any *one* of the following questions : 10

- (a) The following is a normal form of game in which each firm has two strategies (Low Price, High Price) :

| | | Firm B | |
|--------|------------|-----------|------------|
| | | Low Price | High Price |
| Firm A | Low Price | (2, 2) | (4, -1) |
| | High Price | (-1, 4) | (6, 5) |

- (i) What is the dominant strategy of Firm A and Firm B?
(ii) Find the Nash equilibrium in pure strategy. $5+5=10$
(b) Define zero-sum game. Explain the two-person zero-sum game with the help of payoff matrix.



(4)

UNIT—IV

7. Answer any *two* of the following questions :

2×2=4

- (a) Distinguish between collusive oligopoly and non-collusive oligopoly.
- (b) Differentiate between Cournot and Stackelberg model of oligopoly.
- (c) Write two assumptions of Cournot model of duopoly.

8. Answer any *one* of the following questions : 10

- (a) Define Bertrand paradox. Explain the concept of Bertrand equilibrium using reaction curves. 2+8=10
- (b) Critically explain Cournot's model of duopoly.

UNIT—V

9. Answer any *two* of the following questions :

2×2=4

- (a) Differentiate between public good and private good.
- (b) What does market failure refer to?
- (c) What is free-rider problem?

24J/875

(Continued)

(5)

10. Answer any *one* of the following questions : 10

- (a) Explain negative externalities in production and market failure. Add a note on Pigouvian solution of negative externalities. 5+5=10
- (b) Explain the problem of market for lemons with solution.

2024/TDC (CBCS)/EVEN/SEM/
ECOHCC-401T/272

24J—790/875