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Your Roll No.....

Sr. No. of Question Paper : 7828

Unique Paper Code : 248201

Name of the Paper : Microeconomics – II

Name of the Course : B.A. (H) Business Economics

Semester : II (2017)

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.

2. Attempt **five** questions in all.

1. (a) Does a monopolist have a supply curve? Why or why not? Explain with the help of diagrams.

(b) How is the Cournot equilibrium different from the competitive equilibrium? Explain graphically. (7+8)

2. (a) Define price discrimination. Explain first and second degree of price discrimination with the help of diagrams.

(b) How would a firm determine an optimal two-part tariff if it has two customers with different demand curves? (8+7)

P.T.O.

3. (a) Why is the market demand for an input not the horizontal summation of demand curves of the individual firms ?
- (b) Why are wages and employment indeterminate when a union has monopoly power and a firm has monopoly power ?
- (c) Bring out the difference between Economic Rent & Quasi-Rent using diagrams. (5+5+5)
4. (a) What are the Pareto optimal conditions ? Explain the efficiency in exchange of the two goods between two consumers using edgeworth box diagram.
- (b) Distinguish between general equilibrium analysis and partial equilibrium using an example. (7+8)
5. (a) Describe some inefficiencies that occur when resources are common property rather than privately owned. Use appropriate diagrams.
- (b) Can adverse selection lead to market failure ? Explain using diagrams.
- (c) Why is there a social cost to monopoly power ? (5+5+5)
6. (a) Describe Walras' law algebraically.
- (b) What is meant by the Voting paradox ? How is it related to Arrow's Impossibility Theorem ?
- (c) What is the difference between a cooperative and a non-cooperative game ? Give an example of each. (5+5+5)