**Course BAP**

**Sem II**

**Principles of Microeconomics II**

**Question Bank**

1. Differentiate between perfect competition, monopoly and monopolistic competition.
2. How price and output is determined in short run under monopolistic competition explain with suitable diagram.
3. What do you mean by externalities? Explain positive and negative externalities with the help of diagram.
4. What do you mean by internalization of externalities? Explain the role of taxes to control negative externalities.
5. What is price discrimination. Under what necessary conditions can it be practiced.
6. What is the social cost of Monopoly. Explain with appropriate diagrams.
7. Explain that a monopolist has no supply curve.
8. What is economic rent? How is it determined? Explain with suitable diagram.
9. What is international trade? Explain various theories of international trade.
10. Explain terms of trade, free trade and protectionism in detail.
11. What is labor supply curve? Why it backward bending? Explain.
12. Write short notes on:

a) Nash Equilibrium

b) Excess Capacity Hypothesis

c) Free trade V/s Protection

d) Sources of market failure