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4 SEM TDC ECOH (CBCS) C 8

2025

(May/June)

ECONOMICS

(Core)

Paper : C-8

(**Advanced Microeconomics**)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

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

1. Answer the following as directed : 1×8=8

(a) General equilibrium is based on the assumption of

(i) imperfect competition

(ii) perfect competition

(iii) change in production technique

(iv) All of the above

(Choose the correct option)

(2)

- (b) An economy is said to be inefficient if it stays inside the production possibility curve.

(Write True or False)

- (c) State the compensation criteria.
(d) Who developed the concept of 'social welfare function'?

- (e) What do you mean by bilateral monopoly?

- (f) When there are two sellers in the market, it is known as

(i) bilateral monopoly

(ii) duopoly

(iii) monopoly

(iv) None of the above

(Choose the correct option)

- (g) Which one of the following is a source of market failure?

(i) The existence of externalities

(ii) Monopoly or imperfect market

(iii) The existence of public good

(iv) All of the above

(Choose the correct option)

- (h) Who developed the concept of game theory?

(3)

2. Write short notes on any four of the following : 4×4=16

(a) Equity and efficiency

(b) Kinked demand curve

(c) Moral hazards

(d) Externalities

(e) Repeated games

3. (a) Explain the Kaldor-Hicks compensation principle with utility possibility curve. Point out its limitations. 8+4=12

Or

- (b) What is social welfare function? Critically discuss it with the help of grand utility possibility curve. 4+8=12

4. (a) When is price discrimination possible? Show how price discrimination may result in a higher output in comparison to single-price monopoly. 3+8=11

Or

- (b) What is monopolistic competition? Illustrate, with a diagram, the price and output determination of a firm under monopolistic market in the long-run. 3+8=11

5. (a) What is collusive oligopoly? How are price and output determined under collusive oligopoly? 3+8=11

Or

- (b) What is cartel? Explain how a cartel determines price and output of a product to maximise joint profits. 3+8=11

6. (a) Explain the concept of Prisoner's dilemma with the help of an example. 11

Or

- (b) What is game theory? Discuss its importance and applications. 3+4+4=11

7. (a) What are negative and positive externalities? How can the presence of such externalities lead to market failure? 3+8=11

Or

- (b) What are public goods? What are the characteristics of public goods? Why should public goods be produced by the government? 3+4+4=11

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