বিদ্যাসাগর বিশ্ববিদ্যালয়

VIDYASAGAR UNIVERSITY

B.Sc. Honours Examination 2021

(CBCS)

4th Semester

ECONOMICS

PAPER—C8T

INTERMEDIATE MICROECONOMICS – II

Full Marks : 60

Time : 3 Hours

The figures in the right-hand margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

THEORY : C8T

Answer any *four* questions.   4×15

1. Mention four sources of market imperfections. Define 'industrial concentration'. Discuss Lerner's Index of Industrial Concentration and show its ranges of values.   4+3+8

2. Identify different parts of the monopoly demand function on the basis of price elasticity of demand. Demarcate the optimum zone of operation of a monopolist which helps him to earn super normal profit.   7+8

3. What are the main conjectures of Cournot Duopoly model? Explain with the help of the Reaction Function technique the optimum output determination by the duopoly firms under the said model. Is the equilibrium solution socially desirable? 4+7+4

4. Identify different forms of price discrimination according to degrees. Can you show that even a monopoly pricing in certain situations generates socially optimum output like a competitive firm? Discuss. Write a note on 'peak-load pricing'. 4+6+5

5. Does the dominant strategy solution take into account the interdependences among the players? Define the Nash solution concept. Construct two games with payoffs which give the dominant strategy solution and Nash solution. What is Prisoners' Dilemma? Prove that the prisoners with no communications among them ultimately confess their guilty. 2+2+4+2+5

6. Define a Multi Plant Monopolist. Explain how such a monopolist optimizes size of its different plants to ensure profit maximization. How do the equilibrium conditions get changed if the monopolist discriminates customers of different markets to get maximum profit? 2+8+5

7. What do you mean by consumption and production efficiency? Explain Pareto Optimality conditions along the contract curves in both the systems. Does Pareto Optimality ensure distributional equity? Explain. 4+7+4

8. Show that when labour is the single variable factor the profit maximizing condition leads to equalization of wage rate with the value of marginal physical product as well as marginal revenue product. What are Monopolistic and Monopsonistic Exploitations? Discuss monopolistic and monopsonistic exploitations using suitable diagrams under specific considerations about the nature of goods and factor markets. 4+4+7

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