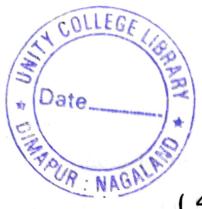
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2025

(FYUGP) recipes enforcement &

(4th Semester)

ECONOMICS

(MINOR)

Paper: EC4.M4

(Intermediate Microeconomics—II)

Full Marks: 75 Pass Marks: 40%

Time: 3 hours

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(PART : B—DESCRIPTIVE)

(Marks: 50)

The figures in the margin indicate full marks for the questions

Answer five questions, taking one from each Unit

UNIT-I

- 1. Explain with diagram the modern theory of wage.
- 2. Explain with diagram the Ricardian theory of rent.

L25/431a

(Turn Over)

10

UNIT-II

3	Critically	ovnlain	dynamic	theory	of	profit.	10
3.	Critically	explain	dynamic	LITEOT Y	OI	pront.	10

4. Critically explain uncertainty theory of profit. 10

UNIT—III

5. Explain the conditions of welfare 10 maximisation.

6. What is meant by value judgements? Explain the role of value judgements in welfare 2+8=10economics.

UNIT-IV

7. Explain with diagram the determination of long-run equilibrium of a firm under monopolistic competition.

10

8. Critically examine Sweezy's kinked demand curve model.

10

UNIT-V

9. Explain externalities in consumption and 10 production.

- 10. Explain briefly the following concept: 5+5=10
 - (a) Principal-agent problem
 - (b) Hidden actions

李健, 医人名西斯

2025
(FYUGP)
(4th Semester)
DOCUMENT
ECONOMICS
(MINOR)
Paper: EC4.M4
(Intermediate Microeconomics—II)
(PART : A—OBJECTIVE)
(Maries OF)
(<i>Marks</i> : 25)
The figures in the margin indicate full marks for the questions
1. Choose the correct answer and put a Tick (✓) mark against the brackets provided: 1×15=15
(a) Marginal productivity of labour refers to
(i) total output produced by all workers ()
(ii) additional output produced by an extra worker ()
(iii) average output per worker ()
(iv) wage rate per worker ()

(b)	Higl	her wages in dangerous jobs are due to
	(i)	Government subsidies ()
	(ii)	worker preference ()
	(iii)	compensating wage differentials ()
	(iv)	minimum wage laws ()
(c)	Sca	rcity rent is primarily associated with
	(i)	capital-intensive industries ()
	(ii)	natural resources with fixed supply ()
	(iii)	technological innovation ()
	(iv)	labour market competition ()
(d)	The Sch	concept of 'Creative destruction' in umpeter's theory means
	(i)	destroying competition to earn profits ()
	(ii)	Government intervention ()
	(iii)	entrepreneurs avoiding innovation ()
	(iu) (iv)	_
(e)	(iv)	innovation () innovation replacing old technologies and
(e)	(iv)	innovation () innovation replacing old technologies and businesses () ording to Schumpeter, who plays the most
(e)	(iv) Acco	innovation () innovation replacing old technologies and businesses () ording to Schumpeter, who plays the most tial role in innovation?
(e)	(iv) Acco	innovation () innovation replacing old technologies and businesses () ording to Schumpeter, who plays the most tial role in innovation? Consumer ()

(f)		ording to the Rent theory of profit, profits e due to
	(i)	entrepreneurial skill or monopoly ()
	(ii)	innovation in business ()
	(iii)	economic fluctuations ()
	(iv)	wage rise ()
(g)		ch of the following is not a factor in Clark's amic theory?
	(i)	Population growth ()
	(ii)	New technology ()
	(iii)	Static demand ()
	(iv)	Capital expansion ()
(h)		paternalist criterion suggests that welfare ald be decided by
	(i)	Government or policymakers ()
	(ii)	individual preferences ()
	(iii)	market forces ()
	(iv)	social consensus ()

(i)	Which of the following best describes Pareto improvements?
	(i) Gains with no loss ()
	(ii) Loss for efficiency ()
	(iii) Redistribution of wealth ()
	(iv) Reduction in total output ()
(j)	A Government policy that supports welfare maximisation is
	(i) unrestricted labour market ()
	(ii) reduced corporate taxes ()
	(iii) free public healthcare ()
	(iv) price deregulation ()
(k)	Monopoly pricing often results in
	(i) full market efficiency ()
	(ii) perfect price competition ()
	(iii) low profit margins ()
	(iv) reduced consumer surplus ()
(l)	Which of the following is an example of third-degree price discrimination?
	(i) Fixed price tickets ()
	(ii) Personalized pricing ()
	(iii) Bulk purchase deals
	(iv) Student discounts

(m)	Cou	rnot equilibrium is reached when
	(i)	prices are at their lowest level ()
	(ii)	all firms set identical price ()
	(iii)	no firm wants to change its output ()
	(iv)	one firm dominates the market ()
(n)	Pub	lic goods are characterised by
	(i)	non-rivalry and non- excludability ()
	(ii)	free pricing and private ownership ()
	(iii)	high competition and low demand ()
	(iv)	market driven supply and demand ()
(0)	The	main factor leading to moral hazard is
	(i)	full transparency in transactions ()
	(ii)	competition between firms ()
	(iii)	risk being shared by another party ()
	(iv)	fixed pricing in the market ()

- 2. Write short notes on any five of the following: $2\times5=10$
 - (a) Wage differential

(b) Rent

(c) Innovetion

(c) Innovation

(d) Price discrimination

(e) Adverse selection

(f) Signaling

(g) Externalities

(h) Product differentiation