(c) What is Ricardian Theory of rent? Explain.

(d) Write a note on Schumpeter's innovation theory of profit.

(e) Write a short note on selling cost.

(f) What is excess capacity? How can it be measured?

(g) Discuss in brief the different types of externalities.

(h) What are the differences between public goods and private goods?

(i) What do you mean by market failure? How does market fail for environmental goods? Discuss.

4. Answer of the following question : ***(any two)*** 12×2=24

(a) Discuss in brief the Kaldor–Hicks criterion.

(b) Critically discuss the Marginal Productivity theory of distribution.

(c) Critically discuss the classical theory of interest.

(d) Explain with the help of diagram how a firm under monopolistic competition attains equilibrium.

Total number of printed pages–4

63 (FY)SEM-3/MAJ/ECOMAJ2014

2024

ECONOMICS

Paper : ECOMAJ2014

(Intermediate Micro Economics–II)

Full Marks : 70

Pass Marks : 28

Time : Three hours

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

1. Answer/Choose the following questions : 1×6=6

(a) According to the Marginal Productivity Theory, the price of a factor and its MRP tend to

(i) Equality

(ii) Inequality

(iii) One

(iv) Zero

Contd.

(b) The concept of quasi rent is developed by

(i) J.R. Hicks

(ii) Alfred Marshall

(iii) Joan Robinson

(iv) Ricardo

(c) By Chamberlin's definition, selling costs include

(i) Cost of raw material

(ii) Wages paid to the labourers

(iii) Cost of advertisement

(iv) Interests paid to the capital

(d) The key feature of oligopolistic industries is

(i) Large number of sellers

(ii) Free exit and free entry of firms

(iii) Interdependence of decision making

(iv) Selling costs

(e) Environmental degradation is a clear case of

(i) positive externality

(ii) negative externality

(iii) ecological protection

(iv) environmental improvement

(f) A property right is a right to use

(i) a resource

(ii) consumer goods

(iii) capital goods

(iv) illegal drugs

2. Answer the following questions : ***(any five)*** 2×5=10

(a) Differentiate positive and normative approach in welfare economics.

(b) What do you mean by quasi-rent?

(c) Define risk and uncertainty bearing theory of profit.

(d) What are the forms of oligopoly?

(e) What do you mean by non-rivalry and non-excludability?

(f) Explain two characteristics of public goods.

(g) State two reasons of Market failure.

3. Answer the following questions : ***(any six)*** 5×6=30

(a) Distinguish between the Pigovian and the Hicksian concept of welfare economics.

(b) Discuss the conditions of Pareto optimality.