

B.A. (Honours) Examination, 2018
Semester – II
Economics
Course: S-1.2.4.P.2 (Subsidiary)

(For Back Candidates only)

Time: Three Hours

Full Marks: 40

Questions are of value as indicated in the margin

Answer **any four** from the following questions.

1. What are the various features of monopolistically competitive market? Explain the condition of long run equilibrium of a firm under monopolistic competition. 4+6=10
 2. Explain the equilibrium of a monopoly firm. Show that price fixed by the monopolist is higher than marginal cost of production. 10
 3. What is Collusive Oligopoly? How are price and output determined under it? 4+6=10
 4. Distinguish between break-even point and shut down point of a perfectly competitive firm. Illustrate graphically. 10
 5. How is wage rate determined in a perfectly competitive labour market? Show that the wage rate determined in such a market is equal to the value of marginal product (VMP) of labour. 5+5=10
 6. Explain Ricardian theory of rent by drawing a distinction between scarcity rent and differential rent. 10
 7. Explain Keynes' liquidity preference theory of interest. Why is it considered to be indeterminate? 10
 8. Distinguish between risk and uncertainty. What causes uncertainty in an economy? 5+5=10
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