TY BA Sem VI Univ exam 2023-24

Time : 3 Hours | Total Marks: 100

Instructions: 1. All the questions are compulsory
2. Figures to the right indicate full mark
3. Draw neat diagrams wherever necessary

Q.1 Answer **any Two** of the following. **20**

a) Discuss the Walrasian general equilibrium theory.

b) Explain Pareto optimality marginal condition of efficiency in exchange.

c) Describe Arrow's impossibility theorem.

Q.2 Answer **any Two** of the following. **20**

a) Explain the meaning features of monopoly market.

b) What is the price discrimination? State various degrees of price discrimination.

c) Explain the concept of product differentiation in monopolistic competition.

Q.3 Answer **any Two** of the following. **20**

a) Explain the Cournots model of oligopoly.

b) Define Price Leadership and discuss the low cost firm Price Leadership Model.

c) Describe the 'Prisoner's Dilemma' strategy in game theory.

Q.4 Answer **any Two** of the following. **20**

a) Explain the significance of economics of search.

b) Discuss the principal-agent problem.

c) State what is the problem of adverse selection and suggest various measures to reduce adverse selection

Q.5 Write notes (**Any Two**). **20**

a) Pareto optimality and perfect competition

b) Excess capacity in monopolistic competition.

c) Centralized cartel

d) Lemons market

OR

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Q.5 Choose the correct alternatives of the following. **20**

1. ------------ analysis deals with the equilibrium of the entire organization of consumers, producer's, firms and industries in an economy.
   a) General equilibrium
   b) Partial equilibrium
   c) Business cycle
   d) Rational expectation

2. Theory of general equilibrium introduced by --------
   a) Alfred Weber
   b) Doctor Marshall
   c) Leon Walars
   d) Joseph Schumpeter

3. Pareto analysis ignores changes ------- in the economy.
   a) In production
   b) In supply
   c) In Technical
   d) In Demand

4 In an Edgeworth box the ---------- is the set of tangency points between the indifference curves of the two consumers.
   a) The demand curve
   b) The contract curve
   c) The supply curve
   d) Phillips curve

5. Equilibrium of production is efficient allocation of resources among -------
   a) Consumers
   b) Firms
   c) Labours
   d) Capital

6 AR & MR curves under monopoly are ----------
   a) Horizontal
   b) Upward sloping
   c) Downward sloping
   d) Vertical

7 Which of the following is the fundamental source of monopoly power?
   a) Perfectly elastic demand
   b) Perfectly inelastic demand
   c) Unitary elastic demand
   d) Barriers to entry of the new firms

8 Which of the following is the objective of price discrimination?
   a) Maintaining Huge stocks
   b) To earn maximum profits
   c) Enjoying the economies of scale
   d) Establishing equity through pricing

9 Consumers are more exploited in the ….. price discrimination situation.
   a) Second degree
   b) First degree

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c) Third degree
d) Fourth degree

10 ------- refers to differentiating products on the basis of brand, size, colour, Shape etc.
a) Product differentiation
b) Product diversification
c) Product war
d) Price discrimination

11 In Cournot's model, each producer ultimately produces ------- of the total output.
a) 1/5
b) 1/4
c) 1/3
d) 1/2

12 ------- is a form of imperfect collusive oligopoly.
a) Centralized Cartel
b) Market Sharing Cartel
c) Price Leadership
d) Product Leadership

13 Which of the following is a non-zero sum game?
a) Chess
b) Prisoner's Dilemma
c) Cartel
d) Competition in duopoly

14. In a non-collusive oligopoly price is____
a) Rigid
b) High
c) Low
d) Flexible

15 In game theory, a choice that is optimal for a firm no matter what its competitors do is referred to as -----
a) The dominant strategy.
b) The game-winning choice.
c) Prisoners dilemma
d) Nash Equilibrium

16 Consumers are always in search of ------
a) Cheap product
b) Expensive product
c) Worst product
d) Old product

17 Asymmetric information can cause ----- problem
A) Market failure
b) Government failure
c) Market operations
d) Market profit

18 Lemons market is the market for _______
a) Defective products
b) Good products

c) Sellers
d) Byers

19. Which of the following business is related to the moral hazard problem?
   a) Bank business
   b) Insurance business
   c) Construction business
   d) Industry business

20 -------- use to help buyers evaluate the quality of products.
   a) Demand
   b) Markets signals
   c) Supply
   d) Expenditure

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