

**II/eco (ii)**

**2012**

( 2nd Semester )

**ECONOMICS**

**SECOND PAPER**

**( Microeconomics-II )**

*Full Marks : 75*

*Time : 3 hours*

( PART : B—DESCRIPTIVE )

( Marks : 50 )

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

Answer **all** questions

1. Critically explain the marginal productivity theory of distribution. 10

*Or*

Explain Keynes' liquidity preference theory of interest.

2. Explain the equilibrium of a firm in the factor market under perfect competition. 10

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( Turn Over )

( 2 )

Or

What do you mean by the firm's demand for factor service? Explain various factors determining the firm's demand for factors.

3. What is Pareto optimality criterion? Discuss the efficiency distribution of commodities among consumers with the criterion. 2+8=10

Or

Critically examine Bergson's social welfare function. 10

4. State and explain Ricardian theory of international trade. 10

Or

Discuss briefly Heckscher-Ohlin theory of international trade.

5. Using the concept of opportunity cost, explain the comparative cost advantage theory of international trade. 10

Or

Discuss the assumptions and main features of Heckscher-Ohlin theory of international trade. 4+6=10

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2012

( 2nd Semester )

**ECONOMICS**

SECOND PAPER

( **Microeconomics—II** )

( PART : A—OBJECTIVE )

( Marks : 25 )

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

Answer **all** questions

SECTION—A

( Marks : 10 )

Tick (✓) the correct answer in the brackets provided :

1×10=10

1. Of 'real wages' and 'money wages'

(a) the former is a wider concept than the latter ( )

(b) the latter is a wider concept than the former ( )

(c) both concepts mean the same thing ( )

(d) All of the above ( )

2. The concept of quasi-rent means
- (a) the wages to the workers ( )
  - (b) the rent shared by landlord and workers ( )
  - (c) the interest paid to the entrepreneur ( )
  - (d) the return to a factor of production which is fixed in supply in the short period ( )
3. The concept of social optimum was introduced in Welfare Economics by
- (a) Vilfredo Pareto ( )
  - (b) A. C. Pigou ( )
  - (c) Adam Smith ( )
  - (d) A. Marshall ( )
4. An ethical or value judgement must be made in order to derive the
- (a) transformation curve ( )
  - (b) grand utility possibility curve ( )
  - (c) consumption contract curve ( )
  - (d) social welfare function ( )

( 3 )

5. Who among the following economists accepted growth of GNP as a criterion of social welfare?

(a) Nicholas Kaldor ( )

(b) Adam Smith ( )

(c) Jeremy Bentham ( )

(d) Ohlin ( )

6. One similarity between international trade and inter-regional trade is that in general both must overcome

(a) the differences in language ( )

(b) tariffs ( )

(c) distance or space ( )

(d) the difference in currencies ( )

7. A market system, where there is only one buyer, is known as

(a) monopoly ( )

(b) monopolistic competition ( )

(c) monopsony ( )

(d) monopsonistic competition ( )

8. The market, where the services of factors of production are bought and sold, is

- (a) product market ( )
- (b) factor market ( )
- (c) commodity market ( )
- (d) monopoly market ( )

9. The exact amount of time required for a firm to recover its initial investment in a project as calculated from cash inflows is known as

- (a) capital budgeting ( )
- (b) payback period ( )
- (c) internal rate of return ( )
- (d) net present value ( )

10. The basis of trade between countries lies in the

- (a) difference in monetary standard ( )
- (b) difference in political system ( )
- (c) difference in resource endowment ( )
- (d) None of the above ( )

( 5 )

SECTION—B

( Marks : 15 )

Write short notes on the following :

3×5=15

1. Distinction between Gross Profit and Net Profit

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**2. Value Judgement**

Write short notes on the following:  
1. Distinction between Gross Profit and Net Profit.

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( 7 )

3. Welfare Economics

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( 8 )

4. Net Present Value (NPV)

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5. Tariffs

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