

2 0 1 7

( CBCS )

( 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*

1. (a) Discuss the risk and uncertainty bearing theories of profit. 3+7=10

Or

- (b) Critically examine the Classical Theory of interest determination. 10

2. (a) Show the attainment of equilibrium of firm under perfect competition with one variable factor. 10

G7/253a

( Turn Over )

Or

- (b) What do you mean by monopsony? Illustrate the determination of wage and employment. 3+7=10

3. (a) What is Pareto optimality? What are the necessary conditions? Are they necessarily achieved under perfect competition? 2+6+2=10

Or

- (b) Graphically explain the derivation of Kaldor-Hicks compensation criterion. 10

4. (a) Discuss the net present value method of project evaluation. 10

Or

- (b) Explain the social cost benefit principle of investment. 10

5. (a) Why do nations trade? Distinguish between international trade and inter-regional trade. 4+6=10

Or

- (b) Discuss the theory of comparative advantage of international trade. 10

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G7—1700/253a

ECO/II/EC/02 (CBCS)

**Subject Code :**  
**ECO/II/EC/02 (CBCS)**

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**Booklet No. A**

Date Stamp .....

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**To be filled in by the Candidate**

CBCS  
DEGREE 2nd Semester  
(Arts / Science / Commerce /  
..... ) Exam., **2017**  
.....  
Subject .....

Paper .....

**INSTRUCTIONS TO CANDIDATES**

- 1. The Booklet No. of this script should be quoted in the answer script meant for descriptive type questions and vice versa.**
- 2. This paper should be ANSWERED FIRST and submitted within 1 (one) Hour of the commencement of the Examination.**
- 3. While answering the questions of this booklet, any cutting, erasing, overwriting or furnishing more than one answer is prohibited. Any rough work, if required, should be done only on the main Answer Book. Instructions given in each question should be followed for answering that question only.**

**To be filled in by the Candidate**

CBCS  
DEGREE 2nd Semester  
(Arts / Science / Commerce /  
..... ) Exam., **2017**  
.....  
Roll No. ....  
Regn. No. ....  
Subject .....

Paper .....

Descriptive Type

Booklet No. B .....

*Signature of  
Scrutiniser(s)*

*Signature of  
Examiner(s)*

*Signature of  
Invigilator(s)*

**ECO/II/EC/02 (CBCS)**

**2 0 1 7**

( CBCS )

( 2nd Semester )

**ECONOMICS**

SECOND PAPER

**( Microeconomics—II )**

( PART : A—OBJECTIVE )

( Marks : 25 )

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

SECTION—A

( Marks : 10 )

Choose the most appropriate answer to the following  
by putting a Tick (✓) mark against it in the brackets  
provided : 1×10=10

**1.** Subsistence theory of wages was used by

(a) Karl Marx ( )

(b) Robinson ( )

(c) J. S. Mill ( )

( 2 )

**2.** Profit is also known as

(a) contractual income ( )

(b) residual income ( )

(c) net income ( )

**3.** Equilibrium condition for factor market is

(a) demand for factors is equal to supply of factors ( )

(b) demand for factors is less than supply of factors ( )

(c) demand for factors is more than supply of factors ( )

**4.** Demand for factor of production is

(a) supplementary demand ( )

(b) intermediate goods ( )

(c) derived demand ( )

( 3 )

5. Social welfare function is a function of

(a) all the individuals constituting the society ( )

(b) all consumers excluding producers ( )

(c) only sample of individuals in society ( )

6. The concept of social optimum was introduced to welfare economics by

(a) A. C. Pigou ( )

(b) J. Bentham ( )

(c) V. Pareto ( )

7. If inflation occurs, investment will be

(a) more profitable ( )

(b) less profitable ( )

(c) more difficult ( )

( 4 )

**8.** Air pollution can be termed as a

- (a) social benefit ( )
- (b) social cost ( )
- (c) social security measure ( )

**9.** Heckscher-Ohlin theory of international trade is based on

- (a) factor price equalisation ( )
- (b) absolute advantage ( )
- (c) factor endowment differentials ( )

**10.** The main objective of international trade is

- (a) to maximise production ( )
- (b) to remove political bondage ( )
- (c) to establish world bank ( )

( 5 )

SECTION—B

( Marks : 15 )

Write on the following in brief :

3×5=15

1. Speculative demand for money

*Or*

Wage differentials

( 6 )

**2.** Welfare economies

*Or*

Value judgement



( 7 )

3. Internal rate of return

*Or*

Net present value

( 8 )

4. Bilateral monopoly

*Or*

Determinants of firm's demand for factor service

( 9 )

5. Import quota

*Or*

Tariffs

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