Paper / Subject Code: 97216 / Economics: Advanced Micro Economics III (R 2021)

Time : 3 Hours **Total Marks: 100**

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

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

a) What is general equilibrium? Elaborate the of Walrasian general equilibrium theory.

b) Explain how the Pareto efficient allocation of resources can be achieved in a competitive market economy.

c) Elaborate the Arrow's Impossibility Theorem.

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

a) Define monopoly and explain the features of the monopoly market.

b) Discuss in detail the degrees of price discrimination.

c) Explain the concept of 'excess capacity' in monopolistic competition.

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

a) Write the meaning and characteristics of oligopoly market.

b) What is Cartel? Explain the equilibrium under the centralised cartel.

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

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

a) Explain the meaning and importance of search cost.

b) Write in detail about the market for lemons and adverse selection.

c) Explain the concept of market signalling.

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

a) Pareto optimality marginal conditions

b) Types of price discrimination.

c) Low cost firm price leadership

d) Problem of moral hazard

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

1. **Which of the following theory is developed by Leon Walras?**
   a) Partial equilibrium b) General equilibrium
   c) Firm equilibrium d) Industry equilibrium

2. **General equilibrium in consumption is attained at point where ——.**
   a) MRSx = MRSy b) MRS = MRTS
   c) MRSa = MRSb d) MRS_A xy = MRS_B xy

3. **A Pareto improvement is a reallocation of resources where:**
   a) One person is made better off, and another person is made worse off.
   b) One person is made better off, and no one is made worse off.
   c) Everyone is made better off.
   d) No one can be made better off without making someone else worse off.

4. **The Pareto efficiency in exchange requires that the marginal rate of substitution between two goods (X&Y) must be _____ for any pair of consumers.**
   a) Higher b) Lower
   c) Equal d) Unequal

5. **Kenneth Arrow's theory is known as ——**
   a) General theory b) Wealth of nation
   c) Market Law d) Impossibility theorem

6. **In case of _____ market entry to a new seller is completely restricted.**
   a) Perfect competition b) Monopoly
   c) Monopolistic competition d) Oligopoly

7. **Which of the following methods is used to measure monopoly power?**
   a) Lerner index b) Price index
   c) Price index d) Profit index

8. **---- has proposed the categories of price discrimination.**
   a) Marshall b) Pigou
   c) Hicks d) Pareto

9. **Product differentiation is an important feature of the —— market.**
   a) Monopoly b) Price discrimination
   c) Perfect competition d) Monopolistic competition

10. **—— is where a firm produces less than its minimum average cost.**
    a) Adequate production b) Excess capacity
    c) Loss d) Maximum output

11. **An oligopoly firm faces ——— .**
    a) A smooth downward sloping demand curve b) Horizontal demand curve
    c) Kinked demand curve d) Upward sloping curve

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12 **Price leadership avoids ——**

a) Price war
b) New entrants to the market
c) Promotes product differentiation
d) Product competition

13 **In Cournot's model of duopoly, commodity produced by firms assumed as - ——**

a) Heterogeneous
b) Homogenous
c) Close substitute
d) Complementary

14 Who are the decision makers in game theory?

a) Players
b) Consumers
c) Producers
d) Government

15 **In game theory, when the gain of one player equals the loss of another, it is called———**

a) Non- Zero Sum Game
b) Zero Sum Game
c) Cooperative Game
d) Competitive Game

16 **—— are the costs, in terms of money and time that a consumer has to spend to obtain all the information needed to choose a product.**

a) Economic cost
b) Search cost
c) Social cost
d) Historical cost

17 **The market where used low quality cars (motor vehicles) are bought and sold is called —.**

a) Lemons market
b) Money market
c) Capital market
d) Financial market

18 **Which of the following is a reason for the failure of the insurance market?**

a) Adverse selection
b) Low premium
c) High premium
d) Moderate premium

19 **——— business is related with the problem of moral hazard.**

a) Bank business
b) Construction business
c) Insurance business
d) Industry business

20 **The principal-agent problem arises due to —.**

a) Common objective between the principal and the agent
b) Different objective between the principal and the agent
c) Common objective between the principal and the government
d) Different objective between the principal and the government

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मराठी रुपांतर

वेळ : 3 तास

गुण: १००

सूचना : १. सर्व प्रश्न अनिवार्य आहेत
२. उजवीकडील अंक एकूण गुण दर्शवितात
३. आवश्यक तेथे सुबक आकृत्या काढा.

प्र.१ खालीलपैकी कोणतेही दोन प्रश्न सोडवा. २०

अ) सर्वसाधारण समतोल म्हणजे काय? वॉलराच्या सर्वसाधारण समतोल सिद्धांताचे वर्णन करा.

ब) स्पर्धात्मक बाजार अर्थव्यवस्थेत संसाधनांचे परेटो कार्यक्षम वाटप कसे साध्य करता येते ते स्पष्ट करा.

क) ॲरोच्या अशक्यता प्रमेयाचे वर्णन करा.

प्र.२. खालीलपैकी कोणतेही दोन प्रश्न सोडवा. २०

अ) मक्तेदारी ची व्याख्या देवून वैशिष्ट्ये स्पष्ट करा.

ब) किंमत विभेदाच्या विविध श्रेण्यांची सविस्तर चर्चा करा.

क) मक्तेदारीयुक्त स्पर्धेतील 'अतिरिक्त क्षमता' संकल्पना स्पष्ट करा.

प्र.३ खालीलपैकी कोणतेही दोन प्रश्न सोडवा. २०

अ) अल्पाधिकार बाजाराचा अर्थ सांगून वैशिष्ट्ये लिहा.

ब) कार्टेल म्हणजे काय? केंद्रीकृत कार्टेल अंतर्गत समतोल स्पष्ट करा

क) खेळ सिद्धांतातील 'कैद्याचा पेचप्रसंग' व्यूहरचनेचे वर्णन करा.

प्र.४. खालीलपैकी कोणतेही दोन प्रश्न सोडवा. २०

अ) शोध खर्चाचा अर्थ सांगून महत्व विशद करा.

ब) लेमन्स बाजार आणि प्रतिकूल निवड समस्या याविषयी सविस्तर लिहा.

क) बाजार संकेत संकल्पना विशद करा.

प्र.५. टीपा लिहा (कोणतेही दोन) २०

अ) पॅरेटो इष्टतमता सीमांत अटी

ब) मूल्यभेदाचे प्रकार

क) अल्पखर्च किंमत नेतृत्व

ड) नैतिक धोका समस्या

किंवा

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