

Vidya Vikas Mandal's  
Shree Damodar College of Commerce & Economics, Margao  
F.Y.B.Com, Semester-I, May/June Supplementary Examination 2018  
Micro Economics

Duration: 2 Hours

Marks: 80

**Instructions:**

- i. All questions are **compulsory**, however **internal choice** is available.
- ii. Figures to the **right** indicate **maximum** marks to the question/sub-question.
- iii. Draw figures wherever necessary.

**Q1.** Answer any **four** of the following: (4X4=16)

- a. What are exceptions to law of demand?
- b. What is Engle curve?
- c. What is Price consumption curve?
- d. What is marginal rate of technical substitution?
- e. What is social cost?
- f. What is economies of scope?

**Q2.** Answer any **four** of the following: (4X4=16)

- a. What are the assumptions of perfect competition?
- b. What is producer surplus?
- c. What is price discrimination?
- d. What is monopolistic competition?
- e. What are assumptions of oligopoly?
- f. What is monopoly power?

**Q3. A)** Explain the consumer equilibrium with help of indifference curve. (12)

**OR**

**B)** Explain income effect and substitution effect with help of indifference curve.

**Q4. A)** Explain returns to scale using isoquants. (12)

**OR**

**B)** Calculate average cost, average variable cost average fixed cost total cost and marginal cost for the following data when total fixed cost is 55.

TVC	0	15	25	35	45	55	65	75
output	0	1	2	3	4	5	6	7

**Q5. A)** Explain short run equilibrium under perfect competition. (12)

**OR**

**B)** Explain short run equilibrium under monopoly market.

**Q6. A)** Explain the Cournot's and Stackelberg model. (12)

**OR**

**B)** Explain the equilibrium condition in monopolistic competition.

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