

2017

Time : 3 hours

Full Marks : 70

*Candidates are required to give their answers in
their own words as far as practicable.*

The questions are of equal value.

*Answer any **five** questions.*

1. "General Equilibrium analysis is solely concerned with relative price." Explain. 14
- 2 Explain the conditions of economic efficiency in competitive markets. 14
3. Why supply curve does not exist under monopoly ? Explain with diagrams. 14

4. Prove that elasticity of demand : $e_d = \frac{AR}{AR - MR}$,
where AR = Average Revenue and MR =
Marginal Revenue. 14
5. A monopolist produces x sets of television per
week at a total cost of Rs. $\left(\frac{x^2}{25} + 3x + 100\right)$ and
demand for his product is $x = 75 - 3p$,
where P is the price in rupees per set.
Find the profit maximising output, price
and profit. 14
6. A discriminating monopolist finds price
elasticity of demand of his product is 2.0 in one
market and 1.5 in the other. Find the ratio of
prices charged by him in the two markets. 14
7. The demand law of a discriminating monopolist
in one market is $Q_1 = 14 - P_1$ and in the
other market $Q_2 = 20 - 2P_2$ and $MC = ₹ 4$. Find
profit maximising output, price and profit. 14

8. How is Group equilibrium achieved under
monopolistic competition ? 14
9. (a) What is saddle point in game theory ? 7
- (b) Given $A = \begin{bmatrix} 5 & 8 & 6 \\ 12 & 13 & 6 \\ 11 & 10 & 9 \end{bmatrix}$ Find maximin and
minimax. 7
10. "Adverse selection is the direct result of
asymmetric information." Explain. 14

