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SEM-IV (Micro Economics-II) (H&G)

(13)
(a) (i) & (iii) (b) (ii) & (iv) (c) (i) & (ii) (d) (iii) & (iv)

(14) Which of the following is not true in respect of monopolistic competition?
(i) Homogeneous product (ii) both buyers & sellers have no ~~cost~~ control over price (iii) Existence of selling cost
(iv) Lack of perfect knowledge
✓(a) (i) & (ii) (b) (iii) & (iv) (c) (i) & (iii) (d) (ii) & (iv)

(15) When oligopolists do not ~~collude~~ collude
(a) Price & output are the same as in a competitive market
(b) Price is lower & output is higher than in a competitive market
✓(c) Price is higher and output is lower than in a competitive market
(d) Both price & output are higher than in a competitive market

(16) Equilibrium quantity ~~in markets~~ characterized by oligopoly are:
(a) Lower than in monopoly markets and higher than in perfectly competitive market (b) Lower than in monopoly markets and lower than in perfectly competitive market
✓(c) Higher than in monopoly market and lower than in perfectly competitive market
(d) Higher than in monopoly markets and higher than in perfectly competitive market

(17) When rate of interest can be zero?
(a) When population is optimum (b) When there is new invention
✓(c) When marginal productivity of Capital is zero (d) When marginal productivity of Capital is positive

(18) The marginal productivity of a factor of production —— as the quantity of the factors used ——
(a) increases, diminishes (b) increases, constant (c) diminishes, increases (d) constant, diminishes.

19) The assumption of loanable fund theory are —
(i) Savings & incomes are independent (ii) Savings, Hoarding and investment are related to interest rate.
(iii) National income changed according to investment and income level (iv) Interest is determined on the basis of demand & supply of capital
✓(a) (i) & (ii) (b) (iii) & (iv) (c) (i) & (iii) (d) (ii) & (iv)

20) Marginal productivity theory of wages state —
(i) Wages of labour = VMP_L (ii) Market rate of wages = MRP
(iii) Wages of Labour = MPP_L (iv) Wages of Labour = ARP
(a) (i) & (iii) (b) (ii) & (iv) (c) (i) & (ii) ✓ (d) (iii) & (iv)

21) Which of the following statement is true?
(i) Rent arise due to the Law of increasing return (ii) Rent is the earning of the entrepreneur (iii) Rent has been as a surplus over cost (iv) Rent arise due to the operation of the Law of Diminishing Return
(a) (i) & (iii) (b) (ii) & (iv) (c) (iii) & (iv) ✓ (d) (i) & (ii)

22) The merits of Keynes's Liquidity Preference theory of interest are —
(i) It is a monetary theory rather than a real theory
(ii) It is less general than the classical theory (iii) It through its "Liquidity trap hypothesis" stress the limitation of monetary and banking policy (iv) It is static in nature
(a) (i) & (ii) (b) (iii) & (iv) ✓(c) (i) & (iii) (d) (ii) & (iv)

23) Which of the following is the feature of Quasi Rent?
(i) Quasi-Rent is a temporary (ii) Quasi-Rent found in ~~long~~ Long run (iii) Quasi-Rent found in short-run (iv) Quasi Rent found in Land only
(a) (ii) & (iv) (b) (i) & (iii) ✓ (c) (i) & (ii) (d) (iii) & (iv)

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