Answer any *five* of the following questions : 2×5=10

1. Write down any two features of a monopoly market.

2. Suppose the demand function of a monopolist is given by $p = a - bq$ and 'c' is the marginal cost. Find out the optimum output of the firm.

3. Define a two person zero sum game with an example.

4. Draw the equilibrium of a monopolist where revenue is maximized without any profit constraint.

5. What is the significance of non price competition in a monopolistically competitive market? Briefly expalin.

6. What is meant by Externality?

7. What is the relation between VMPL and MRPL in the competitive product and factor markets?

8. Make distinction between a public good and private good.

Answer any *four* of the following questions : 5×4=20

9. Define 'industrial concentration'. Discuss Lerner's Index of Inustrial Concertration and show its ranges of values. 2+3

10. Define a Natural Monopoly. Explain how the Natural Monopolist attains equilibrium. 2+3

11. Explain the application of Nash Equilibrium in Cournot Model of Oligopoly. 5

12. Define product differentiation. Explain short run equilibrium of a firm operating in a monopolistically competitive market. 1+4

13. What is peak-load pricing? Explain the firm's equilibrium in a peak-load pricing system. 2+3

14. Explain how market for a bad car drives out the market for a good car in an asymmetric information system. 5

Answer any *three* of the following questions : 10×3=30

15. What are the main differences between Cournot Model and Stackelberg Model of oligopoly? Explain how the equilibrium market quantities are shared by the firms under the Stackelberg model. 2+8

16. Discuss product mix efficiency in a 2×2×2 framework using suitable diagrams. Justify whether the equilibrium in Pareto optimal. 8+2

17. What are Monopolistic and Monopsonistic Exploitations? Discuss monopolistic and monopsonistic exploitations using suitable diagram. (2+2)+3+3

18. Explain the concept of price discrimination by Monopolist firm. What are the different types of Price discrimination? Explain with appropriate diagrams. 4+2+4

19. Does environmental pollution have public property feature? If so, how? Explain how the optimum pollution and its price are determined through the mutual understanding between the polluter and pollutee when the property rights are clearly defined with zero transaction cost. 3+7

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