

2. Write short notes on any *four* of the following
(within 150 words each) : $4 \times 4 = 16$

- (a) Price taker
- (b) Natural monopoly
- (c) Importance of selling costs in oligopoly
- (d) Transfer earnings and economic rent
- (e) General equilibrium analysis

Answer the following questions (within 500 words each) :

3. (a) (i) Examine the rules for profit maximization under different market forms. 6
- (ii) Describe the process of derivation of the supply curve of the firm in the short run under perfect competition. 6

Or

- (b) Define long-run. Explain the process of derivation of the long-run supply curves of constant, increasing and decreasing cost industries. $1+4+4+3=12$

4. (a) How is price determined under monopoly? Show why a monopolist cannot choose a price if the elasticity of demand for the product is less than one. $7+4=11$

Or

- (b) What are the necessary and sufficient conditions for price discrimination under monopoly? Explain with diagram how the price and output are determined under discriminating monopoly market. $4+7=11$

5. (a) Distinguish monopolistic competition from oligopoly. Explain the process of determination of short-run and long-run equilibrium of a firm under monopolistic competition. $2+9=11$