

Or

- (b) Define oligopoly. State the characteristics of oligopoly market. Why does price tend to be rigid in oligopolistic industry? Explain. $2+4+5=11$

6. (a) Discuss the marginal productivity theory of distribution. Is it true that in equilibrium all factors receive a payment equal to the value of their marginal product? Give justification. $7+4=11$

Or

- (b) (i) Compare and contrast Hawley's risk-bearing theory and Knight's uncertainty-bearing theory of profits. 8
- (ii) How is wage determined in a perfectly competitive market? 3

7. (a) Write the meaning of efficiency in exchange and efficiency in production. Explain with suitable examples the interrelations and interdependence of markets. $2+2+7=11$

Or

- (b) Define market failure. Explain the different sources of market failure. Suggest the remedies for market failure. $1+6+4=11$
