

**GUJARAT NATIONAL LAW UNIVERSITY
SILVASSA CAMPUS**

Course: **Principles of Microeconomics**
Semester- I (Batch: 2023-28)

End Semester Examination: Oct-Nov 2023 (BA LLB)

Date: 7th Nov, 2023

Duration: 3 hours

Max. Marks: 50

Instructions:

- Read the questions properly and write the answers in the given answer book.
- Do not write anything on the question paper.
- The respective marks for each question are indicated in-line.
- Indicate correct question numbers in front of the answer.
- No questions or clarification can be sought during the exam period, answer as it is, giving reason, if any.
- For 3 marks questions word limit is 50-100 words. and for 7 marks questions word limit is 500 to 700 words.

Marks

Q.1 Answer **Any Five** of the following questions with the help of diagram.

(5x3 =
15)

1. Explain how firms are price taker in perfect competition?
2. Discuss the price effect for an inferior good with cardinal approach.
3. Discuss situation of shut down in imperfect competition.
4. Show the relationship between breach of contract and imposition of fine with the help of indifference curve.
5. Does patent give rise to monopoly? Explain AR and MR in this situation.
6. Define opportunity cost with examples.
7. Discuss the concept of crime and fine with the help of law of demand approach.

Q.2 Answer **Any Five** of the following in detail with suitable examples and diagram.

(5x7 =
35)

1. Explain Pareto efficiency and Kaldor Hicks efficiency with the help of government scheme of 'Pradhanmantri Shahari Awas Yogna'.
2. Discuss Slutsky substitution effect version of indifference curve for explaining price effect and income effect, when the price of one good falls.
3. How long the price remains rigid in oligopoly market? How does Paul M. Sweezy Kinked demand theory help in resolving the price stickiness?
4. Explain price elasticity of demand with the help of suitable examples.
5. Discuss short term equilibrium of the firm in the perfectly competitive market.
6. Explain conditions of price discrimination. Discuss firm's equilibrium under discriminative monopoly by taking an illustration of any law firm.
7. Discuss the framework of 'Excess Capacity' in the monopolistic competition.
