

24-3-17



Doon University, Dehradun
Mid semester Examination, 2017
School of Social Science

M.A. Semester-II / M.Sc Semester-VII
Course Code ✓ SSE-530/SSEI-520 ✓

Course Title-Microeconomics-II/Advanced Microeconomics-II

Time Allowed : 2hrs

Maximum Marks :30

Section - A

Attempt **all** questions

Marks:2*4=8

Q.1 Explain the following relations:-

- (a) Expenditure on research & development and average profit margin
- (b) Diversification rate and growth rate of capital supply
- (c) Advertisement expenditure and sales revenue as discussed by Baumol
- (d) Discretionary profits and staff expenditure

Section - B

Attempt **all** questions.

Marks:2*5=10

Q.2 Write a short note on indeterminate solution.

Q.3 What is meant by price rigidity? Why are prices rigid under oligopoly? Explain with the help of the kinked demand curve model.

Section - C

Attempt any **one** question

Marks:1*12=12

Q.4 Narrate the recent development in Cournot model.

Q.5 Explain the relevance of Baumol's sales maximization concept for managerial economics. How equilibrium can be achieved when minimum profit constraint is operative.