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Total No. of Questions : 09

B.Sc. Business Economics(BBE) (2015 to 2017) (Sem.-3)

MICROECONOMICS-II

Subject Code : BBE-301

M.Code : 74194

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A is COMPULSORY carrying TWENTY marks.**
2. **SECTION-B consists of FOUR Sub-sections : Units-I, II, III & IV.**
3. **Each Sub-section contains TWO questions each, carrying TEN marks each.**
4. **Student has to attempt ONE question from each Unit.**

SECTION-A

- 1. Write note on the following :**

- Resource Market
- Dead Weight loss
- Hicksian Consumer Surplus
- Nash Equilibrium
- Dominant Strategy
- Negative Network Externalities
- Non-Tariff Barriers
- Asymmetric Information
- Moral Hazard
- Law of Demand

SECTION-B

UNIT-I

2. Discuss the concept of producer surplus. Also elaborate the impact of government interference on social welfare.
3. Critically examine the Hicksian Concept of Consumer Surplus. Also elaborate the four concepts of Hicksian compensation variation regarding consumer surplus.

UNIT-II

4. Discuss the dominant strategy of Game theory. Does this strategy leads to Nash equilibrium?
5. Discuss the main applications of Game Theory.

UNIT-III

6. Elaborate the main types of trade barriers.
7. What are the measures taken by the government to regulate the trade barriers?

UNIT-IV

8. What is the meaning of term externalities? Provide some examples of externalities in production and show the existence of these externalities result in non- optimization of production.
9. How is asymmetric information in markets lead to disequilibrium? What are the main steps to deal with the problem of asymmetric information?

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.