

Elizade University, Iara Mokin
Ondo-State, Nigeria
Department of Economics
2nd Semester 2018/2019 Examinations Questions



Course Code: ECO 202

Course Title: Introduction to Microeconomics II

Instruction: Answer any THREE questions. Each question carries 20 marks.

Time Allowed: 2 hours

Date: 2019

Question 1

- a) List six assumptions of a Chamberlin's large group model **9 marks**
b) With the aid of a diagram, explain the super normal profit position of a monopolistic competition in the short-run equilibrium **11 marks**

Question 2

- a) With the aid of a diagram, explain a contract curve in conjunction to the general equilibrium in production. **10 marks**
b) With the aid of a diagram, explain a break even analysis in business **5 marks**
c) Explain the following concepts: **5 marks**
 i. Marginal Rate of Technical Substitution
 ii. Isoquant Curve

Question 3

- a) List and explain four criteria of social welfare as suggested by some economists **10marks**
b) List and explain three ways welfare can be maximized in a perfect competitive market. **10 marks**

Question 4

- a) In production, as technology progress, the production function changes which lead to changes in K/L ratio and the elasticity of substitution-Discuss **16 marks**
b) Highlight four features of a long run marginal cost **4 marks**

Question 5

- a) List and explain four examples of a monopolistic competition business. **8 marks**
b) Given the demand curve of a Monopolist as follows:
 $X = 50 - 0.5p$
 $C = 50 + 40x$
Find the profit maximisation of the monopolist firm **12 marks**