ELIZADE UNIVERSITY
Ilara-Mokin, Ondo State
Department of Economics and Development Studies
Faculty of Social and Management Sciences
First (1st) Semester Examination
2018/2019 Academic Session

Course Code: ECN 301	**Credit Units: 2**

Course Title: Intermediate Microeconomics
Instructions: Answer any THREE questions
Time Allowed: 2hours   **Date: March, 2019**

Question One
1a). Where applicable use graph, explain the following concepts   **10 marks**

   i.   Short-run optimization
  ii.   Equilibrium
 iii.   Short-run profit under perfect competition
 iv.   Short-run in industry equilibrium and firm optimum

1b). A firm operating in a perfect competitive industry has its cost function given as:
$TC = 100 + 4q - 10q^2 + \frac{1}{3}q^3$. If the market price, P = ₦30.
Find the profit maximizing units of output and the total profit at this level of outputs.   **10 marks**

Question Two
2a). Firms can achieve monopoly power from different sources, list and explain them.   **10 marks**

2b).With the aid of diagrams, explain the short-run profit maximization under pure
monopoly market structure.   **10 marks**

Question Three
3a). A monopolist's demand curve is given as P = 200- 4q. TC = 100 + 20q. Determine the profit maximizing
units of output and the profit at this level of output   **10 marks**
3b). State five assumptions of Cournot model   **5 marks**
3c). Briefly describe the concept of Cartels   **5 marks**

Question Four

4). List and explain 4 types of productions   **20 marks**

Question Five
5a). Find the extremum of the function $z= f(x, y) = 2\frac{1}{2}x^2 + y^2$, subject to the constraint $4x + 2y = 13$ **10 marks**
5b). List and explain the motives of any firm in the industry   **10 marks**