

Name:  
Enrollment No:



UNIVERSITY WITH A PURPOSE

**UNIVERSITY OF PETROLEUM & ENERGY STUDIES**

**End Semester Examination (Online) – July, 2020**

**Program: BA EE**  
**Subject/Course: Microeconomics II**  
**Course Code: ECON1007**

**Semester : II**  
**Max. Marks: 100**  
**Duration : 3 Hours**

**IMPORTANT INSTRUCTIONS**

1. The student must write his/her name and enrollment no. in the space designated above.
2. The questions have to be answered in this MS Word document.
3. After attempting the questions in this document, the student has to upload this MS Word document on Blackboard.

	<b>Section A</b> <b>Attempt any 5 questions</b>	<b>Marks</b>	<b>COs</b>
Q1.	State and explain production function, factors of production and their relevance. Till what point does a rational producer continues production in short run and why? State two conditions for production equilibrium in long run.	4+4+6+6= 20	CO1
Q2.	What is critical difference between oligopoly market structure different from monopolistic structure? Why does oligopoly structure not have single model to explain equilibrium of the firm? Explain any one model which you think is relevant in today's time in practical world stating and example for the same.	6+6+8= 20	CO4
Q3.	State difference between micro and macroeconomics as clearly as possible. How has definition of economics evolved over a period of time?	20	CO1, 4
Q4.	Perfect competition market structure has perfect degree of competition or absolutely no competition" Explain the statement stating characteristics of structure as clearly as possible. Is there any example of the same in real world? Why do we study this structure?	20	CO2,4
Q5.	SpaceX, Blue Origin, Virgin Galactic, Bigelow Aerospace are a few companies targeting for space tourism market in the coming decade. a. Under which market structure are these firms operating? Why you classify them under the given structure of market. (4, 4 = 8 marks) b. How does a firm determine Price and Quantity under this structure? Explain diagrammatically. (6 marks)	4 +4 = 8  6	CO3

	c. What kind of profits will a firm have in (i) short run & (ii) long run? Explain in the same diagram drawn above in part (b).	3 + 3 =6	
Q6.	Define 'Selling cost' and differentiate between 'Production cost' and 'Selling Cost' with help of relevant examples. Considering a product and its close substitutes; discuss how crucial an advertisement campaign is to Sales manager in selling the product having distinctly different features from its close substitutes. Does it have same criticality for the consumer or just an eye wash?	8+6+6 = 20	CO1,4