



NTA UGC NET

ECONOMICS

Previous Years' Solved Papers

Paper II & Paper III

June 2012 to July 2018

Gkseries

1. July 2018
 - i. Paper II
2. Nov 2017
 - i. Paper II
 - ii. Paper III
3. January 2017
 - i. Paper II
 - ii. Paper III
4. July 2016 (28-08-2016)
 - i. Paper II
 - ii. Paper III
5. July 2016 (10-07-2016)
 - i. Paper II
 - ii. Paper III
6. December 2015
 - i. Paper II
 - ii. Paper III
7. June 2015
 - i. Paper II
 - ii. Paper III
8. December 2014
 - i. Paper II
 - ii. Paper III
9. June 2014
 - i. Paper II
 - ii. Paper III
10. December 2013
 - i. Paper II
 - ii. Paper III
11. September 2013 (re-conducted on 08-09-2013)
 - i. Paper II
 - ii. Paper III
12. June 2013
 - i. Paper II
 - ii. Paper III
13. December 2012
 - i. Paper II
 - ii. Paper III
14. June 2012
 - i. Paper II
 - ii. Paper III

ECONOMICS (July 2018)
PAPER - II

Note : This paper contains hundred (100) objective type questions of two (2) marks each. All questions are compulsory.

1. Which of the following will be true for both monopoly and monopolistic competition in the short run ?

- (1) **Price is greater than marginal revenue.**
- (2) Price is equal to marginal revenue.
- (3) Price is equal to marginal cost.
- (4) Price is equal to average cost.

2. Consider the following matrix which describes the respective strategies and the corresponding pay-offs of firms A and B operating in a duopoly :

		FIRM B	
		ADVERTISE	DON'T ADVERTISE
FIRM A	ADVERTISE	11, 6	16, 0
	DON'T ADVERTISE	7, 9	20, 2

Which of the following statement(s) is/are true for the above game ?

Select the correct answer from the codes given below :

- (a) Firm A has no dominant strategy.
- (b) Firm B has a dominant strategy.
- (c) The game has a Nash equilibrium.
- (d) Neither Firm A nor Firm B has a dominant strategy.

Code :

- (1) (a), (c) (2) (b), (c) (3) (d) Only **(4) (a), (b) and (c)**

3. In the context of oligopoly, consider the following statements :

- (a) Cournot's equilibrium is a Nash equilibrium.
- (b) Stackelberg equilibrium is a Nash equilibrium.

- (1) Only (a)
- (2) Only (b)
- (3) **Both (a) and (b)**
- (4) Neither (a) nor (b)

4. Match List - I with List - II and point out the correct answer from the codes below :

List - I (Concept)	List - II (Economist)
(a) Profit as a dynamic surplus	(i) J. Schumpeter
(b) Profit as reward for innovation	(ii) M. Kalecki
(c) Profit as reward for uncertainty bearing	(iii) F.H. Knight
(d) Profit arise due to monopoly power enjoyed by the producers	(iv) J.B. Clark

(a) (b) (c) (d)

- (1) (ii) (i) (iii) (iv)
(2) **(iv) (i) (iii) (ii)**
(3) (iv) (ii) (iii) (i)
(4) (iii) (iv) (ii) (i)

5. When the marginal cost is equal to average cost, the slope of the average cost is :

- (1) positive (2) negative (3) **zero** (4) infinite

6. For the function $Q=A \cdot K^{\alpha} \cdot L^{\beta}$, which of the following is correct ?

- (1) The degree of homogeneity is 1
(2) Elasticity of substitution is equal to $\alpha+\beta$
(3) **Output elasticity with respect to capital is α**
(4) Marginal product of a factor=Average product of the factor

7. When an information asymmetry is observed after an agreement is obtained between individuals, it is called :

- (1) Signalling (2) **Moral hazard**
(3) None of the above (4) Both (1) and (2) above