



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2024 1 EXAMINATION**

**COURSE TITLE: ADVANCED MICROECONOMIC THEORY
COURSE CODE: ECO 711
UNITS: 3 UNITS
TIME ALLOWED: 3 HOURS**

INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS

Q1. The market condition for a typical firm is given as $P = 100 - 4q$ and $C = 50 + 20q$

a. Obtain the optimal price and output if the firm is in perfect competition **(9 marks)**

b. Determine the profit of the perfect competition firm **(6 marks)**

b. Assuming pure monopoly, find the optimum profit output and price **(10 marks)**

Q2a. According to Cyert and March, there are five basic goals that a firm can pursue. Discuss **(10marks)**

b. What is Organization Slack? **(5marks)**

Q3a. Explain any five causes or sources of monopoly power. **(5 marks)**

b. Mention any five assumptions that define a monopoly. **(5 marks)**

c. List and briefly explain five examples of imperfect competition. **(5 marks)**

Q4a. Explain five Properties of Indifference Curve. **(5 marks)**

b. Differentiate between the assumptions of the Cardinal and Ordinal Utility Approach. **(10marks).**

Q5a. Explain the primary ways in which entrepreneurs are able to drive profits above interest levels. **(8marks)**

b. What is investment and what are the steps to investment production process? **(7marks)**