M 25078

II Semester M.A./M.Sc./M.Com. Degree (Reg./Sup./Imp.)
Examination, March 2014
(2010 Admn. Onwards)
ECONOMICS
Paper – IV : Micro Economics (Part – II)

Time: 3 Hours

Max. Marks : 80

PART – A

Objective Type Questions (Answer **all** questions) :

1. The process of transformation of input into output is called
   - a) Transformation
   - b) Production
   - c) Addition
   - d) Combination

2. The theory of "Sales Revenue Maximization" was developed by
   - a) Baumol
   - b) Cyert and March
   - c) Kaldor
   - d) Ackerlof

3. Under "Two Person Zero Sum Game", the net result of the game sums upto
   - a) one
   - b) infinite
   - c) zero
   - d) negative

4. Goods are demanded by its popularity is the theme under
   - a) Veblen effect
   - b) Snop effect
   - c) Keynes effect
   - d) Bandwagon effect

5. Cobb-Douglas production function is a homogeneous production function based on
   - a) Increasing returns to scale
   - b) Decreasing returns to scale
   - c) Constant returns to scale
   - d) All of these

6. Negative externality is a kind of
   a) Social benefit
   b) Social cost
   c) Social welfare
   d) None of these

7. Slutsky's Theorem states that the substitution effect of a price change is always
   a) positive
   b) negative
   c) constant
   d) zero

8. Quasi-rents are
   a) Long term payments
   b) Excess payments
   c) Residual payments
   d) Expected payments

9. The two sets of Isoquants have points of tangency which form the
   a) Indifference curve
   b) Contract curve
   c) Production possibility curve
   d) ISO revenue curve

10. By revealing property rights the externalities can be internalized, is the content of
    a) Arrows Impossibility Theorem
    b) Cobwebb Theorem
    c) Coase Theorem
    d) Slutsky's Theorem   (10×1=10)

PART – B

Answer **any eight** questions. **Each** answer should not exceed 1$^1/_2$ page.

11. Distinguish between maximum and minimax strategy.

12. Explain the theory of second Best.

13. Define limit pricing.

14. Explain co-operative and non-cooperative game.

15. Define welfare economics.

16. Explain consumers surplus.

17. What do you mean by input-output relationship ?

18. What is Quasi-Rent ? Explain.

19. Explain two person zero-sum game.

20. What do you mean by decision making with respect to a firm ? Explain.

21. Explain Average cost pricing.   (8×3=24)

PART – C

(Short Essays)

Answer **any four** questions. **Each** answer should not exceed 2$^1/_2$ page.

22. Explain Williamson's model Managerial discretion.

23. What are the properties of Cobb-Douglas production function ? Explain.

24. Explain Behavioural model of Cyert and March.

25. What is perfect competition ? Explain the features of perfect competition.

26. Explain the marginal productivity theory of distribution.

27. Explain two factor-two commodity-two consumer general equilibrium model. (4×5=20)

PART – D

(Long Essays)

Answer **any two** questions. **Each** answer should not exceed **6** pages.

28. Explain Marri's model of the managerial enterprise.

29. Elucidate Sylos-Labini Model of Limit Pricing.

30. Explain welfare economics. What are the criteria of social welfare ? Also explain the Pareto optimality criterion and Bergson criterion "social welfare function.

31. Explain Cobb-Douglas Production function. What are the properties of Cobb-Douglas production function ?   (2×13=26)