

16. Explain the theory of second best.

17. Explain the theory of second best.

18. Explain trade-off between efficiency and equity.

19. What do you mean by externalities?

PART - C

20. Write note on Pigou tax and its effect.

21. Explain the concept of absolute cost advantage.

22. Explain the meaning and nature of product market failure.

23. Briefly explain Pigou's theory of congestion.

24. Bring out the nature of changing productivity theory.

25. Write a note on transportation cost.

PART - D

26. Explain the nature of managerial enterprise.

27. Critically examine the system of managerial enterprise.

28. Discuss factors which affect the nature of managerial enterprise.

29. The managerial enterprise is a form of joint stock company.



Reg. No. :

Name :



M 27182

II Semester M.A./M.Sc./M.Com. Degree (Reg./Sup./Imp.)

Examination, March 2015

(2014 Admn. Onwards)

ECONOMICS/APP. ECO./DEV.ECONOMICS

ECO2C05 : Micro Economic Theory – II

Time : 3 Hours

Max. Marks : 60

- Instructions :** 1) Answer **all** questions in Part – A, **all** questions carry **equal** marks.
- 2) Answer **any eight** questions in Part – B. **Each** question carries **two** marks. No answer should exceed **one** pages.
- 3) Answer **any four** questions in Part – C. **Each** question carries **5** marks. No answer should exceed **two** and a **half** pages.
- 4) Answer **any two** questions in Part – D. **Each** question carries **10** marks. No answer should exceed **six** pages.

PART – A

1. In Marris's model of Managerial enterprise, the leverage ratio is defined as _____
- a) Liquid assets/total assets b) Value of debts/total assets
c) Total profits/total assets d) Total assets/liquid assets
2. _____ suggested sales revenue maximisation as an alternative goal to profit maximisation.
- a) W. J. Baumol b) R. Marris
c) Nash d) None
3. Economies of scale may be
- a) reduce cost b) real or pecuniary
c) increase output d) increase revenue

P.T.O.



4. A different approach to the study of the oligopoly problem is provided by the theory of
- a) Limit-Pricing b) Production
c) Demand d) Games
5. _____ principle explains the division of the remaining share between wages and profits.
- a) Marginal b) Surplus
c) Both d) None
6. The retention ratio is the ratio of retained
- a) Wage to total wage b) Profit to total profit
c) Wage to total profit d) Profit to total wage
7. Elements of Pure Economics is written by
- a) Cobb b) Hart
c) Leon Walras d) Marx
8. A situation in which once equilibrium price is distributed, it can never be reestablished is
- a) Stable equilibrium b) Unstable equilibrium
c) Multiple equilibrium d) General equilibrium

PART - B

9. What are the assumptions of profit maximisation theory ?
10. Bring out the limitations of game theory.
11. Write a note on Economics of scale.
12. Write a note on product differentiation barrier.
13. What do you mean by Marginal Productivity theory ?
14. Bring out the differences between Ricardo's and Marx's theory of distribution.
15. Explain neglect of technical progress.



16. Explain existence of general equilibrium.
17. Explain the theory of second best.
18. Explain trade-off between efficiency and equity.
19. What do you mean by externalities ?

PART - C

20. Write a note on Pay-off Matrix and strategies.
21. Explain the concept of absolute cost advantage.
22. Explain the meaning and solution of product exhaustion theorem.
23. Briefly explain Ricardo's theory of distribution.
24. Bring out the criticisms of Marginal Productivity theory.
25. Write a note on compensation criteria.

PART - D

26. Explain critically Baumol's maximisation model.
27. Critically examine the Sylos-Labini Model of Limit Pricing.
28. Discuss Kalecki's degree of Monopoly theory.
29. Discuss various conditions of Pareto optimality.