Reg. No. : ....

Name : ....

II Semester M.A. Degree (CBSS-Reg./Supple./Imp.)
Examination, April 2023
2019 Admission Onwards
ECONOMICS/APPLIED ECONOMICS/DEVELOPMENT 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. (8×½=4)
2) Answer any eight questions in Part – B. Each question carries two marks. No answer should exceed one page. (8×2=16)
3) Answer any four questions in Part – C. Each question carries five marks. No answer should exceed Two and a half pages. (4×5=20)
4) Answer any two questions in Part – D. Each question carries ten marks. No answer should exceed six pages. (2×10=20)

PART – A

1. Potential entry means the
   a) Entry of new firms
   b) Output expansion by existing firms
   c) Output expansion by Large firm
   d) All the above

2. If there is perfect substitutability between goods the indifference curve will be
   a) L shaped
   b) Downward sloping straight line
   c) U shaped
   d) Kinked

P.T.O.

3. Which of the following is not true with regard to conventional modern utility analysis ?
   a) MU of money is constant
   b) MU of money is changing
   c) MU of money is a determinant of risk
   d) None of the above

4. While constructing NM utility index which of the following variable is neglected ?
   a) Probability of winning
   b) Unexpected gains from a game
   c) Winning amount
   d) Loosing amount

5. Labour deepening technical progress exhibit
   a) Intensive use of capital
   b) Increase in marginal productivity of labour is more than the increase of marginal productivity of capital
   c) A parallel downward shift of AC to the left
   d) Increase in the amount of money spent for all factor payments

6. Indeterminateness of demand curve is a feature of which of the market condition ?
   a) Perfect competition
   b) Monopolistic competition
   c) Oligopoly
   d) Perfect Monopoly

7. Full cost pricing theory was associated with
   a) Hall and Hitch
   b) Bain
   c) Sylos Labini
   d) Modigliani

8. If MRSxy A > MRSxy B; equilibrium can be reached by which of the following method ?
   a) More X is to be given to individual A
   b) More X is to be given to individual B
   c) More Y is to be given to individual A
   d) None of the above

PART – B

9. Describe the profit maximization hypothesis.

10. Write a note on decision rules.

11. What are the major points in the attack against marginalist rule of pricing ?

12. Write a note on markup rule of price determination.

13. Write down the features of marginal productivity theory of distribution.

14. What is meant by the elasticity of factor substitution ?

15. What are the major assumptions of Passinetti model ?

16. What is stationary state by Ricardo ?

17. Write a note on externalities and social welfare.

18. Why theory of second best is important ?

19. What are different criterias of social welfare ?

PART – C

20. What is Zero-sum and non zero-sum Game ? Explain with suitable illustrations.

21. What is entry Gap ? How it act as a hindrance to the entry of new firms ?

22. Explain in detail the effect of technological progress on income distribution.

23. What is Eulers theorem and adding up controversy ?

24. Explain widow's cruise model ?

25. What are the features of Pareto optimality criterion ?

PART – D

26. Critically evaluate Marris model of managerial enterprise.

27. Assess the features of Bains model of limit pricing.

28. Explain the nature of macro distribution as envisaged by Marx.

29. What is general Equilibrium ? Explain Walrasian 2×2×2 model.

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