

16P225

(Pages: 3)

Name.....

Reg. No.....

SECOND SEMESTER M.A. DEGREE EXAMINATION, MAY-2017

(Regular/Supplementary/Improvement)

(CUCSS - PG)

CC 15P ECO2 C05 - MICRO ECONOMICS: THEORY AND APPLICATIONS –II

(Economics)

(2015 Admission)

Time: Three Hours

Maximum: 36 Weightage

Part A - Objective Type Questions

(Answer *all* questions)

1. ----- was honored with 1973 Nobel Prize for developing the input-output analysis
(a) Francois Quesnay (b) Wassily Leontief (c) Karl Marx (d) none of these
2. The 'greatest good is secured for the greatest number' is the dictum by -----
(a) Jeremy Bentham (b) Vilfredo Pareto (c) Leon Walras (d) none of these
3. Impossible to make anyone better-off without making someone worse-off is the efficiency in:
(a) production (b) consumption (c) product mix (d) All of the above
4. 'Voting Paradox' is a term associated with:
(a) Lancaster (b) Lipy (c) Rawls (d) Arrow
5. 'Freedom in common brings ruin to all' is the dictum by -----
(a) Ronald Coase (b) Garret Hardin (c) John Rawls (d) Amartya Sen
6. The equilibrium in search is achieved at a point where:
(a) $MRS = MRT$ (b) $MC = MB$ (c) $MC = P$ (d) $MC = MR$
7. The point of tangency between social welfare function and grant utility possibility curve is:
(a) break-even point (b) point of bliss (c) pareto optimum (d) second best point

8. Social welfare cannot be derived by democratic vote to reflect the preferences of all in society

- (a) Bergson (b) Arrow (c) Pareto (d) Kaldor-Hicks

9. The concept of Market Signaling was first developed by:

- (a) Philip Nelson (b) Garret Hardin (c) Michael Spence (d) Akerlof

10. Linear programming is associated with the name of:

- (a) Dantzig (b) Morgenstern (c) Scitovsky (d) Coase

11. Concept of justice is closely associated with:

- (a) Bergson (b) Kaldor (c) Rawl (d) Scitovsky

12. Which of the economists is not associated with the macro theories of distribution:

- (a) Marx (b) Kalecki (c) Kaldor (d) Keynes

(12 x 1/4 = 3 Weightage)

Part B - Very Short Answer Type Questions
(Answer *any five* questions not exceeding **one** paragraph)

13. Explain the adding up problem.

14. What are Externalities?

15. Define Coase theorem.

16. What are the implications of asymmetric information?

17. Explain Hawkin-Simon condition.

18. Comment on the tragedy of commons?

19. What is meant by free-rider problem?

20. Explain Bentham's criterion of social welfare.

(5 x 1 = 5 Weightage)

Part C - Short Answer Type Questions
(Answer *any eight* questions not exceeding one page)

21. Examine Arrow's impossibility theorem.
22. Explain Rawls theory of justice.
23. Distinguish between Leontief's open and closed system.
24. Explain Euler's product exhaustion theorem.
25. Explain the efficiency wage theory.
26. Explain Kalecki's theory of distribution
27. Write a short note on Sen's theory of welfare.
28. Construct an input-output transaction table and derive Leontief identity using the technical coefficient matrix.
29. Explain Kaldor-Hicks compensation criterion
30. Examine the theory of second best.
31. Evaluate Marxian theory of distribution.

(8 x 2= 16 weightage)

Part D - Essay Type Questions
(Answer *any three* questions not exceeding three pages)

32. Explain the statement of the linear programming problem and give the graphical solution.
33. Critically evaluate the Ricardian theory of distribution.
34. Examine the concept of externalities with respect to various property rights.
35. What are the problems of adverse selection? How market signaling works as a solution to adverse selection.
36. Explain the marginal conditions of Pareto optimality.

(3 x 4 = 12 Weightage)
