

17P233

(Pages: 3)

Name.....

Reg. No.....

SECOND SEMESTER M.A. DEGREE EXAMINATION, MAY 2018

(Regular/Supplementary/Improvement)

(CUCSS - PG)

CC15P ECO2 C05 - MICRO ECONOMICS: THEORY AND APPLICATIONS - II

(Economics)

(2015 Admission onwards)

Time: Three Hours

Maximum: 36 Weightage

Part A

Objective Type Questions

Answer *all* questions. Each question carries ½ weightage.

1. According to Ricardo the rent of marginal land is
 - a. Zero
 - b. More
 - c. Lesser
 - d. More or lesser
2. Pareto explains his welfare analysis with the concept of
 - a. Ideal output
 - b. Social output
 - c. Maximum welfare
 - d. Social optimum
3. Social welfare function is associated with the name of
 - a. Scitovsky
 - b. Bergson
 - c. Hicks
 - d. Kaldor
4. Marx explained the tendency of declining rate of profit on the basis of the increase in
 - a. Constant capital
 - b. Variable capital
 - c. Organic Composition of Capital
 - d. All of the above
5. Macro theory of distribution is concerned with the analysis of the determination of
 - a. Relative prices of factors
 - b. Relative shares of factors
 - c. Relative prices of products
 - d. None of the above
6. The famous work "Social Choice and Individual Values" was done by
 - a. Alfred Marshall
 - b. Vilfredo Pareto
 - c. K.J.Arrow
 - d. A. C. Pigou
7. If consumption of a commodity by one individual does not reduce the amount available for others, the commodity is a
 - a. Merit good
 - b. Public good
 - c. Private good
 - d. None of the above

8. The firm's manager's act in the stockholder's interest is by providing managers with golden parachutes. It is one way of overcoming the problem of
- Moral hazard
 - Principle agent problem
 - Problem of adverse selection
 - Tragedy of common
9. The Adding Up Theorem under constant returns to scale holds when the factors of production are paid according to their
- Marginal productivities
 - Average productivities
 - Total productivities
 - None of the above
10. Production Possibility Curve is also known as
- Iso quant
 - Contract curve
 - Transformation curve
 - Iso cost line
11. Who used the Lerner's micro economic degree of monopoly to the macro level in the theory of distributive shares.
- Marx
 - Kaldor
 - Keynes
 - Kalecki
12. Who viewed the following idea. "Economic growth cannot be sensibly treated as an end in itself. Development has to be more concerned with enhancing the lives we lead and the freedoms we enjoy".
- Keynes
 - Marx
 - Arrow
 - A.K. Sen

(12 x ¼ = 3 Weightage)

Part B

Very Short Answer Type Questions.

Answer any *five* questions not exceeding one paragraph.

- Define Non-rival consumption.
- Briefly explain Social Welfare function.
- What is meant by the asymmetric information?
- What are the characteristics of Public Good?
- Define Market Signalling.
- Briefly explain external diseconomies of production.
- Define Free rider Problem.
- Define Linear Programming.

(5 x 1 = 5 Weightage)

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Part C

Short Answer Type Questions.

Answer any *eight* questions not exceeding one page.

- What are the features of Input-Output analysis?
- Explain Scitovsky Paradox.
- How did J.Rawls develop a theory of justice for deriving criteria of fair distribution in a society?
- Explain Tragedy of commons.
- Adverse selection is the direct result of asymmetric information. Explain.
- Explain Simplex method.
- Explain the Coase theorem.
- What are the elements of general equilibrium analysis? Explain.
- Explain Leontief's open system.
- Critically examine the Marxian theory of distribution.
- Explain Arrow's Impossibility Theorem.

(8 x 2 = 16 Weightage)

Part D

Essay Type Questions.

Answer any *three* questions not exceeding three pages.

- Elucidate the marginal conditions for attaining Pareto optimality.
- Explain input-output analysis.
- How does Efficiency wage theory explain to avoid shirking on the job by workers?
- What are the different types of externalities? Discuss externality in the context of market failure.
- Explain the Kalecki's theory of distributive shares.

(3 x 4 = 12 Weightage)

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