

18P231

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Name.....

Reg. No.....

SECOND SEMESTER M.A. DEGREE EXAMINATION, APRIL 2019

(Regular/Improvement/Supplementary)

(CUCSS - PG)

CC15P ECO2 C05 - MICRO ECONOMICS: THEORY AND APPLICATIONS II

(Economics)

(2015 Admission onwards)

Time: Three Hours

Maximum: 36 Weightage

Part A

Answer *all* questions. Each question carries $\frac{1}{4}$ weightage.

1. The original linear programming problem is known as
a) Primal b) Dual c) Feasible region d) All of these
2. Lemons theory was put forward by
a) Samuelson b) Keynes c) Akerlof d) None of the above
3. The economist who associated with Macro theory of distribution
a) Ricardo b) Kaldor c) Marx d) All the above
4. Efficiency wage lies the competitive wage.
a) Above b) Below c) Both a and b d) None of the above
5. Hawkin Simon condition is associated with
a) Linear Programming b) Lemons theory
c) Input Output Analysis d) All the above
6. The economist who explains compensation criteria from gainers point of view
a) Hicks b) Keynes c) Kaldor d) Scitovsky
7. Input output analysis is developed by
a) J.M. Keynes b) A.C. Pigou c) Samuelson d) Leontieff
8. One of the applications of LPP is
a) Objectivity b) Diet problem c) Constraint d) None
9. The Key concept in Rawlsian social welfare function is what he termed as the
a) Difference Principle b) Equality Principle
c) Marginal Principle d) None of the above
10. Which of the following is not a necessary condition for making social choices according to Arrow?
a) Transitivity b) Non imposition
c) Non consistency d) Independence of irrelevant alternatives

11. Under LPP, the optimum solution is the best of all the
- | | |
|-----------------------|---------------------------|
| a) Feasible solutions | b) Non feasible solutions |
| c) Objective function | d) Constraints |
12. The term *Golden Parachutes* is associated with
- | | |
|----------------------------|---------------------------|
| a) Lemons theory | b) Efficiency wage theory |
| c) Principal Agent Problem | d) None of the above |

(12 x ¼ = 3 Weightage)

Part B (Very short answer type)

Answer any *five* questions. Each question carries 1 weightage.

13. Explain briefly Rawl's welfare concept.
14. Explain Moral hazards.
15. Define externalities with examples.
16. Explain Ricardian theory of distribution.
17. What is meant by Hawkin Simon condition?
18. Explain Coase Theorem.
19. What is meant by Principal agent problem?
20. Give a few examples of adverse selection problem associated with the economics of information.

(5 x 1 = 5 Weightage)

Part C (Short answer type)

Answer any *eight* questions. Each question carries 2 weightage.

21. Explain Arrows impossibility theorem.
22. Explain Marxian theory of distribution.
23. Write a short note on Sen's theory of welfare.
24. Explain Kaldor-Hicks compensation criteria.
25. What do you meant by Lemons theory?
26. Explain adding up problem.
27. Briefly explain efficiency wage theory.
28. What do you mean by Tragedy of commons?
29. Explain social welfare function.
30. What are the characteristics of public goods?
31. What do you mean by search cost and searching at lowest price?

(8 x 2 = 16 Weightage)

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Part D (Essay type)

Answer any *three* questions. Each question carries 4 weightage.

32. Write an essay on Input-output analysis.
33. What do you mean by Pareto optimality? Explain the basic conditions for the attainment of Pareto optimality.
34. Briefly explain the terms and concepts associated with linear programming.
35. Write an essay on Kaldor's theory of distribution.
36. Explain various negative and positive externalities associated with production and consumption.

(3 x 4 = 12 Weightage)

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