Reg. No ..... Name **19P2002**

M. A. DEGREE END SEMESTER EXAMINATION - MARCH/APRIL 2019

SEMESTER 2 : ECONOMICS

COURSE : **16P2ECOT06 : MICROECONOMIC THEORY – II**

(For Regular – 2018 Admission and Supplementary – 2017/2016 Admissions)

Time : Three Hours Max. Marks: 75

Section A

Answer any 8 (2 marks each)

1. Differentiated products
2. Price signaling
3. Distinguish between Cournot's and Chamberlin's duopoly models
4. Cartels and its features
5. What is a dominant firm?
6. Lump sum tax and profit
7. What is the value of TR if e = 1
8. Discuss the concept of surplus value
9. Illustrate diagrammatically a competitive firm's employment decision in marginal productivity theory of distribution
10. What happens to relative factor shares if technological progress is labour deepening
11. Define Voting paradox
12. Define compensation criterion

(2 x 8 = 16)

Section B

Answer any 7 (5 marks each)

13. Explain how intellegence or sophistication of a leader reward him in Stackelberg's equilibrium compared with Cournot's equilibrium
14. What are the arguments in favour of marginalism?
15. Explain Baumol's model of a single product, with advertising
16. Analyze the effect of changes in elasticity of input substitution up on the relative factor shares
17. "Marx is a Ricardo without diminishing returns", Discuss.
18. Give the essentials of marginal productivity theory of distribution
19. Critically examine Kaldor-Hicks compensation criterion
20. Explain Rawlsian social welfare function with suitable diagrams
21. Explain Scitovsky's paradox, how is it resolved?

22. Explain features of new welfare economics

(5 x 7 = 35)

Section C
Answer any 2 (12 marks each)

23. Examine different forms of price leadership models in Oligopoly.
24. Make a comparasion between competitive price and full cost pricing. How can changes in demand and tax affect both?
25. Make a numerical / algebraic computation of the following in the contest of limit pricing.

    a. Monopoly, limit and competitive prices
    b. Condition of entry
    c. Tangency solution in the long run
    d. Price elasticity of demand of a firm and market

26. Analyze the Kaldor's macro theory of income distribution

(12 x 2 = 24)