Reg. No ..... Name **18P202**

M. A. DEGREE END SEMESTER EXAMINATION- APRIL 2018

SEMESTER 2 : ECONOMICS

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

(For Regular - 2017 and Supplementary - 2016 admission)

Time : Three Hours Max. Marks: 75

Section A
Answer any 8 (2 marks each)

1. Features of oligopoly
2. Mixed strategy
3. Show diagramatically how is industry profit maximised in Cournot's model.
4. Bounded rationality
5. Demand in full cost pricing
6. side payments
7. Define degree of monopoly power
8. Define marginal revenue product and average revenue product
9. Explain the influence of organic composition of capital on rate of profit in Marxian system
10. State Arrow's impossibility theorem
11. Define social welfare function
12. Define compensation criterion

(2 x 8 = 16)

Section B
Answer any 7 (5 marks each)

13. Explain Cournout model of duopoly?
14. How does limit price is effective in preventing the entry?
15. Critically examine the product exhaustion theorem
16. In what way technological progress influence the relative factor shares
17. "Capitalists earn what they spend and workers spend what they earn", Discuss.
18. Critically examine Kaldor-Hicks compensation criterion
19. What is general equilibrium? Discuss 2x2x2 model of general equilibrium.
20. Explain Scitovsky's paradox, how is it resolved?
21. Illustrate diagrammatically how the simultaneous equilibrium of production can and consumption be determined?
22. How is the grand utility possibility curve derived? Explain its significance in the attainment of social welfare function

(5 x 7 = 35)

Section C
Answer any 2 (12 marks each)

23. What are the different kinds of cartels? Critically examine the nature of non-price competition

and quota system of agreement

24. Make a comparasion between competitive price and full cost pricing. How can changes in demand and tax affect both?
25. Analyze the Kaldor's macro theory of income distribution
26. What is meant by the "voting paradox", how is this related to Arrow's impossibility theorem?

(12 x 2 = 24)