M. A. DEGREE END SEMESTER EXAMINATION - JULY 2021
SEMESTER 2 : ECONOMICS
COURSE : **16P2ECOT06 : MICROECONOMIC THEORY – II**
(For Regular - 2020 Admission and Supplementary 2019/2018/2017/2016 Admissions)

Time : Three Hours   Max. Marks: 75

PART A
Answer any 8 (2 marks each)

1. Optimal strategy
2. Show diagramatically how is industry profit maximised in Cournot's model.
3. Discsuss Prisoner's Dilemma
4. Slack payment
5. Side payments
6. Uncertain range of demand
7. Define marginal revenue product and average revenue product
8. What are the determinants of share of wages in national income in Kalecki's macro theory of distribution?
9. What is coefficient of sensitivity of income distribution
10. Distinguish between general equilibrium and partial equilibrium
11. What are the conditions for the existence of an equilibrium?
12. Define Voting paradox

(2 x 8 = 16)

PART B
Answer any 7 (5 marks each)

13. Examine the following pay off matrix in terms of Nash equilibrium and cooperative outcome

Profit Payoff Matrix

		Firm B	
		Low	High
Firm A	Low	-20,-30	900,600
	High	100,800	50,50

14. Examine the role of OPEC or KVVES (Kerala Vyapari Vyavasai Ekopana Samithi) in the contest of cartel
15. What is satisficing behaviour?
16. Explain Baumol's model of a single product, with advertising
17. In what way technological progress influence the relative factor shares
18. "Marx is a Ricardo without diminishing returns", Discuss.
19. Give Euler's exposition of the product exhaustion theorem
20. What is general equilibrium? Discuss 2x2x2 model of general equilibrium.
21. Explain Rawlsian social welfare function
22. Discuss Sen's "Capabilitarianism"

(5 x 7 = 35)

PART C
Answer any 2 (12 marks each)

23. What is naive and interdependence behavior? Explain this in the context of prisoner's dilemma

24. Contrast between managerial theories of Williamson and Cyert and March

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

26. State and explain the various "compensating criteria". Illustrate your answer with an example.

(12 x 2 = 24)