B. A DEGREE END SEMESTER EXAMINATION - OCT. 2020: JANUARY 2021

SEMESTER 3 : ECONOMICS

COURSE : **19U3CRECO3 : MICRO ECONOMIC ANALYSIS**

(For Regular - 2019 Admission)

Time : Three Hours   Max. Marks: 75

PART A
Answer All (1 mark each)

1. Explain the concept price maker.
2. What is social cost of monopoly power?
3. Give two features of perfect competition.
4. Illustrate the term ideal output.
5. Outline price leadership by a dominant firm.
6. List any two concepts associated with asymmetric information.
7. What is value of marginal product?
8. Explain neo-classical theory of interest.
9. List the three marginal conditions of Pareto.
10. List the axioms of Arrow's impossibility theorem.

(1 x 10 = 10)

PART B
Answer any 8 (2 marks each)

11. What are the criteria used to define an industry?
12. How can we measure monopoly power?
13. Elucidate Cartels
14. Appraise the wastages in monopolistic competition.
15. Differentiate between MPP and MRP.
16. Distinguish between MRP and VMP.
17. Assess the effect of labour unions on wages.
18. What are the limitations of growth of GNP as criteria of welfare?
19. List the limitations of cardinalist criterion.
20. Differentiate between general equilibrium and partial equilibrium.

(2 x 8 = 16)

PART C
Answer any 5 (5 marks each)

21. Elaborate the short run equilibrium of a monopolist.
22. Explain how price and output determination is done under price discrimination.
23. Elucidate the concepts of ideal output and excess capacity with the help of diagrams.
24. Appraise price rigidity under oligopoly with the help of diagram.
25. Explain how the abnormal profits are determined in the factor markets.
26. Compare and contrast between dynamic theory of profit and innovation theory of profit.
27. Elaborate the role of value judgements in welfare economics.

(5 x 5 = 25)

PART D
Answer any 2 (12 marks each)

28. Analyse the price and output determination of a monopolist under Monopoly.
29. Elaborate price leadership under oligopoly.
30. Appraise Marginal Productivity Theory of distribution.
31. Evaluate various criteria of social welfare.

(12 x 2 = 24)