

Reg. No .....

Name .....

23P2002

**M. A. DEGREE END SEMESTER EXAMINATION : MARCH 2023**

**SEMESTER 2 : ECONOMICS**

**COURSE : 21P2ECOT06 : MICRO ECONOMIC THEORY - II**

*(For Regular - 2022 Admission and Supplementary - 2021 Admission)*

Duration : Three Hours

Max. Weights: 30

**PART A**

**Answer any 8 questions**

**Weight: 1**

1. What is a dominant firm? (R, CO 1)
2. Define a game? (R, CO 1)
3. List down the features of oligopoly (U, CO 1)
4. Compare and contrast Marris and Williamson's model of firm (An, CO 2)
5. What is satisficing behaviour? (An, CO 2)
6. Give Euler's exposition of the product exhaustion theorem ? (A, CO 3)
7. Analyze the effect of changes in elasticity of input substitution up on the relative factor shares ? (An, CO 3)
8. Explain Scitovsky's paradox? (An, CO 4)
9. State and explain how individual preferences are aggregated into social preferences in Arrow's impossibility theorem (An, CO 4)
10. Explain the Walrasian general equilibrium in two-commodity, two-factor, two-consumer model ? (An, CO 4)

**(1 x 8 = 8)**

**PART B**

**Answer any 6 questions**

**Weights: 2**

11. Evaluate Cournot model of Oligopoly (E, CO 1)
12. Illustrate collusion in the context of prisoner's dilemma (U, CO 1)
13. Discretionary investment (U, CO 2)
14. What is the role of demand in full cost pricing? (U, CO 2)
15. What happens to ratio of factor shares if technological progress is neutral ? (U, CO 3)
16. Mention assumptions of Kaldor's income distribution theory ? (U, CO 3)
17. State the theory of second best ? (U, CO 4)
18. Define compensation criterion ? (An, CO 4)

**(2 x 6 = 12)**

**PART C**

**Answer any 2 questions**

**Weights: 5**

19. Evaluate the Stackelberg's model of oligopoly. How it differs from Cournot and Bertrand models? (E, CO 1)
20. Contrast between managerial theories of Williamson and Cyert and March (E, CO 2)
21. Critically examine Kalecki's "degree of monopoly" theory of income distribution ? (E, CO 3)
22. Discuss social welfare function of Bergson and Samuelson ? (An)

**(5 x 2 = 10)**

OBE: Questions to Course Outcome Mapping

CO	Course Outcome Description	CL	Questions	Total Wt.
CO 1	Analyses business strategies in imperfect market situations	A	1, 2, 3, 11, 12, 19	12
CO 2	Analyses how difference in business goals influences the behavior of business enterprizes	U	4, 5, 13, 14, 20	11
CO 3	Evaluates alternative theories of distribution	R	6, 7, 15, 16, 21	11
CO 4	Evaluates the principles of welfare economics and general equilibrium	An	8, 9, 10, 17, 18	7

Cognitive Level (CL): Cr - CREATE; E - EVALUATE; An - ANALYZE; A - APPLY; U - UNDERSTAND; R - REMEMBER;