

Reg. No

Name

24P2002

M. A. DEGREE END SEMESTER EXAMINATION - MARCH 2024

SEMESTER 2 : ECONOMICS

COURSE : 21P2ECOT06 : MICRO ECONOMIC THEORY - II

(For Regular - 2023 Admission and Supplementary 2022/2021 Admissions)

Duration : Three Hours

Max. Weights: 30

PART A

Answer any 8 questions

Weight: 1

1. What is the role of trade associations in oligopoly? (U, CO 1)
2. Discuss the theory of second best ? (U, CO 4)
3. Critically analyse K-H compensation criterion? (An)
4. Explain Elasticity of input substitution. (An, CO 3)
5. Explain product choice problem. (U, CO 1)
6. Explain price rigidity in Oligopoly. (U, CO 1)
7. Discuss Walrasian general equilibrium model? (An)
8. Account for the historical constancy of share of wages in national income in Kalecki's degree of monopoly theory? (An, CO 3)
9. Can you apply behavioural theory of Cyert and March in the case of a government office in Kerala. (Cr, CO 2)
10. Compare and contrast Marris and Williamson's model of firm. (An, CO 2)
(1 x 8 = 8)

PART B

Answer any 6 questions

Weights: 2

11. Define law of diminishing returns ? (U, CO 3)
12. Is price leadership by low cost firm better than dominant firm price leadership? (An, CO 1)
13. What is the role of demand in full cost pricing? (U, CO 2)
14. Explain Bain's Model. (U, CO 2)
15. Illustrate collusion in the context of prisoner's dilemma. (U, CO 1)
16. Define Voting paradox? (U, CO 4)
17. Explain how Pareto optimality is attained? (U, CO 4)
18. Explain the influence of organic composition of capital on rate of profit in Marxian system? (U, CO 3)
(2 x 6 = 12)

PART C

Answer any 2 questions

Weights: 5

19. Discuss the compensation criteria of Hicks, Kaldor and Scitovsky with suitable examples? (An, CO 4)
20. Compare Nash equilibrium with dominant strategy equilibrium. Explain the possibility for Nash equilibrium in the following product choice problem in breakfast cereal, where entries show profit of A/profit of B

Firm A			
		Salty	Sweet
Firm A	Salty	-4,-4	10,10
	Sweet	10,10	-4,-4

(A, CO 1)

21. Make a comparison between competitive price and full cost pricing. How can changes in demand and tax affect both? (U, CO 2)

22. Give an empirical verification of the marginal productivity theory of distribution? (A, CO 3)

(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, 5, 6, 12, 15, 20	12
CO 2	Analyses how difference in business goals influences the behavior of business enterprises	U	9, 10, 13, 14, 21	11
CO 3	Evaluates alternative theories of distribution	R	4, 8, 11, 18, 22	11
CO 4	Evaluates the principles of welfare economics and general equilibrium	An	2, 16, 17, 19	10

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