Name **25P2002**

M. A. DEGREE END SEMESTER EXAMINATION - APRIL 2025
SEMESTER 2 : ECONOMICS
COURSE : **24P2ECOT06 : MICRO ECONOMIC THEORY - II**
(For Regular - 2024 Admission)

Duration : Three Hours   Max. Weights: 30

PART A
Answer any 8 questions   Weight: 1

1.	Give Euler's exposition of the product exhaustion theorem.	(A)
2.	Explain Scitovsky's paradox.	(An)
3.	What is a dominant firm?	(R)
4.	Define kinked demand curve.	(R)
5.	"Marx is a Ricardo without diminishing returns", Discuss.	(An)
6.	What is saddle point?	(R)
7.	How does limit price is effective in preventing the entry?	(A)
8.	Discuss Sen's "Capabilitarianism."	(U)
9.	Critically examine the Walrasian model of general equilibrium.	(An)
10.	Explain the dynamic model of sales maximisation.	(U)

(1 x 8 = 8)

PART B
Answer any 6 questions   Weights: 2

11. Discretionary investment.   (U)

12. Examine the following pay off matrix of pricing problem in terms of Nash equilibrium and cooperative game.

Payoff Matrix (profit of A, profit of B)

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

(A)

13.	State the theory of second best.	(U)
14.	Show clearly how social choices are determined in a democracy.	(An)
15.	Mention assumptions of Kaldor's income distribution theory .	(U)
16.	Define the elasticity of input substitution.	(U)
17.	Explain equilibrium position in the Bertrand's model of oligopoly.	(U)
18.	Full cost pricing.	(U)

(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)

20. Critically examine Kalecki's "degree of monopoly" theory of income distribution. (E)

21. Explain different criteria for determining welfare. (U)

22. Contrast between managerial theories of Williamson and Cyert and March. (E)

(5 x 2 = 10)

OBE: Questions to Course Outcome Mapping

CO	Course Outcome Description	CL	Questions	Total Wt.

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