



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

SECOND SEMESTER – APRIL 2015

EC 2501 - MICRO ECONOMICS - II

Date : 15/04/2015
Time : 01:00-04:00

Dept. No.

Max. : 100 Marks

PART-A

Answer any FIVE Questions each in about 75 words:

(5 x 4 = 20 Marks)

1. What do you understand by the term collective bargaining?
2. How is factor price determined under imperfect competition?
3. Explain the concepts of risk and uncertainty.
4. How does quasi- rent arise?
5. What is the difference between accounting and economic profit?
6. State the important assumptions of Pareto's social welfare.
7. Bring out a critique of the compensation principle.

PART-B

Answer any FOUR Questions each in about 250 words:

(4 x 10 = 40 Marks)

8. Explain the concept of monopsony. Point out how minimum wage rate is determined under monopsony.
9. Enumerate the role of trade unions in the fixation of wage under imperfect by competitive Market.
10. Give an account of the loanable fund theory of interest.
11. Illustrate the Ricardian theory of rent.
12. Explain the Kaldor - Hicks compensation criterion for social welfare.
13. Analyze the Scitovsky's double criteria for social welfare.
14. Describe the role of pricing mechanism under capitalistic economy.

PART-C

Answer any TWO Questions each in about 900 words:

(2 x 20 = 40 Marks)

15. Illustrate and explain the marginal productivity theory of distribution.
16. Analyze the Keynesian liquidity preference theory of interest.
17. Discuss the various marginal conditions required for Pareto's optimality.
18. Enumerate the functions and role of pricing mechanism under socialistic economy.

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