LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.A. DEGREE EXAMINATION – ECONOMICS
SECOND SEMESTER – APRIL 2015
EC 2808 - MICRO ECONOMIC THEORY - II

Date : 16/04/2015   Dept. No.   Max. : 100 Marks
Time : 01:00-04:00

PART – A

Answer any **FIVE** questions in 75 words each: **(5x4=20 Marks)**

1. Explain the Andrew's version of Average Cost pricing theory.
2. Why does Baumol insist on Sales maximization hypothesis of business firms?
3. Distinguish between Discretionary profit and Discretionary investment.
4. Explain the concept of Managerial constraint in Marris model of firm.
5. Bring out any two differences between bahavioural and Neo-classical theory of firm
6. Explain the concept of Saddle point with a pay-off matrix in game theory.
7. Sketch out any four Marginal conditions for attaining Pareto optimality.

PART – B

Answer any **FOUR** questions in 300 words each: **(4x10=40 Marks)**

8. Compare Bergson's social welfare function with Arrow's social choice theory.
9. Critically examine the Williamson's theory of firm.
10. Evaluate the Input-output analysis.
11. Discuss the Compensation principle of Kaldor-Hicks with suitable diagrams.
12. Discuss the Limit pricing theory of Bain.
13. Distinguish between Limit pricing and Price leadership.
14. Explain the different types of Cartel with suitable diagrams.

PART – C

Answer any **TWO** questions in 900 words each: **(2x20=40 Marks)**

15. Discuss the obstacles in the attainment of Pareto optimality with suitable diagrams.
16. Critically examine the Social choice theory of Sen. How is it suitable to Indian context?
17. Discuss the different types of Collusive oligopoly with suitable diagrams.
18. Compare and contrast Baumol's theory of modern firm with the Neo-classical theory of it.

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