

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

SECOND SEMESTER – NOVEMBER 2015

**EC 2501 - MICRO ECONOMICS - II
(FROM 12-BATCH ONWARDS)**

Date : 12/09/2015
Time : 09:00-12:00

Dept. No.

Max. : 100 Marks

PART – A

5 x 4 = 20 marks

Answer any FIVE of the following not exceeding 75 words each:

1. What is Collective Bargaining?
2. State the difference between quasi rent and scarcity rent.
3. Differentiate between risk and uncertainty.
4. Write a short note on Utility Possibility Curve.
5. State the conditions of Pareto Optimality.
6. What does compensation principle mean?
7. Differentiate between personal and functional distribution.

PART-B

4 x 10 = 40 marks

Answer any FOUR of the following not exceeding 250 words each:

8. Briefly discuss the Marginal Productivity Theory.
9. Discuss the conditions for existence of Monopsony.
10. Explain briefly Keynes Liquidity Preference theory.
11. Explain Innovation theory of profit.
12. Discuss Scitovsky's paradox.
13. How are wages determined in perfectly competitive market?
14. Discuss the role of prices in a capitalistic economy.

PART-C

2 x 20 = 40 marks

Answer any TWO of the following not exceeding more than 900 words each:

15. Examine in detail the Modern Theory of Rent.
16. Explain wage determination under imperfect competition.
17. Examine competitive equilibrium of paretian welfare criterion and state the limitations of pareto criterion.
18. Critically examine Kaldor-Hicks Welfare criterion.

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