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G – 4424

Reg. No. : ....

Name : ....

Second Semester M.A. Degree Examination, July 2019

Economics

EC 221 : MICRO ECONOMICS — II

(2018 Admission)

Time : 3 Hours

Max. Marks : 75

PART – A

Answer **all** questions in 1 or 2 sentences. Each question carries **1** mark.

1. Euler's theorem

2. Technical change

3. General equilibrium

4. Unique equilibrium

5. Adverse selection

6. Satisficing behaviour

7. Value judgement

8. Efficiency wage

9. Public good

10. Non-rival good.

(10 × 1 = 10 Marks)

PART – B

Answer **any seven** questions. Answer should not exceed **500** words. Each question carries **5** marks.

11. Explain the Kalecki's degree of monopoly.

12. Establish the adding up theorem of Euler's.

13. Write a note on the alternative views on equity.

14. Explain briefly Arrow's Impossibility Theorem.

15. Examine the concept of law of small numbers with regard to consumer's choice.

16. Explain asymmetric information and its consequences. Explain with example.

17. What are the uses of system approach in economics?

18. Explain how asymmetric information would lead to market failure.

19. Write a note on Rationality and Bounded rationality and satisficing behaviour

20. What is principal agent problem? Why does it occur? Explain with example.

(7 × 5 = 35 Marks)

PART – C

Answer **any three** questions. Answer should not exceed **1200** words. Each question carries **10** marks.

21. Examine Kaldor's theory of distribution.

22. Critically examine alternative criteria of economic welfare.

23. Examine the problem of existence, uniqueness and stability of Walrasin general equilibrium.

24. "Preferences are not a guide to choice; rather, preferences are 'discovered' in part through the expression of choice" — Examine the statement in the light of the behavioural economics. How far does it deviate from the conventional theory of choice?

25. State and explain the Theory of Second Best.

(3 × 10 = 30 Marks)

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