Reg. No. : .............................

Name : .................................

## Second Semester M.A. Degree Examination, September 2022

## Economics

## EC 221 : MICRO ECONOMICS – II

### (2018 Admission Onwards)

Time : 3 Hours

Max. Marks : 75

### SECTION – A

Define the following in one or two sentences.

1. The importance of auctioneer in the Walrasian model

2. Euler's theorem

3. Anchoring effect

4. Degree of monopoly

5. The concept of altruism and common good

6. Moral hazard in insurance

7. Principal agent problem

8. Bracketing

9. Search cost

10. Theory of second best

(10 × 1 = 10 Marks)

P.T.O.

## SECTION – B

Answer any **seven** of the following. Each should not exceed **500** words.

11. Evaluate the social welfare function of Bergson.

12. Explain the marginal productivity theory of distribution.

13. Make a short note on Ricardo's dynamic model.

14. What are the main postulates of Neo-Keynesian model of distribution?

15. Examine the views of Hicks on technical progress and factor shares.

16. Examine the Degree of Monopoly theory by Michal Kalecki.

17. Explain the Model of General Equilibrium of Leon Walras.

18. Examine how Arrow proved that a Social Welfare function cannot be derived by democratic vote.

19. Time and emotions also plays an important role in the economic decision-comment.

20. Asses how Scitovsky's Double compensation criterion offers a solution to Scitovsky's paradox.

(7 × 5 = 35 Marks)

## SECTION – C

Answer any **three** of the following not exceeding **1200** words.

21. Analyse the Bounded rationality concepts as a reaction to the rationality views of Classical and neo-classical views on human nature.

22. Elucidate how Partial equilibrium analysis differs from General equilibrium analysis and also analyse the three important problems associated with the General equilibrium analysis.

23. Critically examine the theory of distribution by Karl Marx.

24. Describe the Bergson's Social welfare function and the significance of Point of Bliss.

25. Discuss the market for "lemons" as an example of problems created by asymmetric information and also analyse the problems of adverse selection in the insurance market.

$(3 \times 10 = 30$ **Marks**$)$

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