

QP CODE

Enrollment Number:

A3017

Name:

M.A. DEGREE EXAMINATIONS, DECEMBER 2024

Second Semester

M.A. Economics

M23EC05DC – Microeconomics II

(2023 July admissions)

Time: 3 Hours

Max Marks: 70

Section A

Answer any ten of the following questions in a word or sentence each. Each question carries 1 mark.

1. The reward for risk is
2. Who introduced the concept of quasi-rent?
3. The unpriced effects of actions on others is.....
4. Financial burden can be mitigated through.....
5. Dynamic Theory of Profit was introduced by whom.....
6. The time, effort, and resources (including money) used by consumers when seeking information about a product or service before making a purchase is.....
7. Who discussed first the concept of Information asymmetry
8. Who suggested that the method of screening can help reduce the effect of asymmetric information
9. What refers to the situation where there is more than one possible outcome of a decision but where the probability of occurrence of each particular outcome is not known or cannot even be estimated?
10. Financial aids given by governments to support businesses or individuals in producing or purchasing things that benefit society is called.....
11. What refers to an imbalance of information between two parties engaged in economic activity?
12. The concept of market signalling was first developed by.....
13. Who developed the concept of Pareto-optimal risk exchange
14. The gain from finding a lower price product through additional searching is...
15. The solution to asymmetric information in the labor market is.....

(1X10=10)

Section B

Answer any five of the following questions in two or three sentences each. Each question carries 2 marks.

16. What do you understand by Total Revenue Product?
17. Explain Schumpeter's Theory of Profits
18. Define Market Failure

19. What do you understand by free rider problem
20. Discuss Tragedy of Commons
21. Explain the theory of Second best
22. Explain Walrasian System
23. What do understand by externalities?
24. Define Organic Composition of Capital
25. Define Public goods? What are its characteristics?

(2X5=10)

Section C

Answer any five of the following questions in a paragraph each. Each question carries 4 marks.

26. Explain Adding up Problem or Product Exhaustion Theorem
27. Explain the “lemon problem” as introduced by George Akerlof
28. Explain Ricardian Theory of Rent?
29. What do you understand by Coase Theorem
30. Discuss solutions to Free Rider Problem
31. What do you understand by moralhazard?
32. Discuss Sen’s Capability Theory.
33. Explain wage determination for short run and long run equilibrium conditions under perfect competition.

(4X5=20)

Section D

Answer any three of the following questions in two pages each. Each question carries 10 marks.

34. Briefly discuss Marxian Theory of Distribution
35. Discuss Pareto Optimality Criterion
36. Define the principal-agent problem and explain how it relates to asymmetric information.
What impact does it create in market mechanism? How can we solve this problem?
37. Explain Arrow’s Impossibility Theorem
38. Critically discuss Keynesian Liquidity Preference Theory of Interest
39. Discuss the Marginal Productivity Theory of Distribution

(10X3=30)