

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600086**  
**(For candidates admitted from the academic year 2019 – 2020)**

**SUBJECT CODE: 19EC/PC/MI24**

**M.A. DEGREE EXAMINATION, MAY 2021**  
**BRANCH IV – ECONOMICS**  
**END SEMESTER EXAMINATION**

**COURSE: MAJOR CORE**  
**PAPER: MICROECONOMIC ANALYSIS - II**  
**TIME: 1 ½ HOURS**

**MAX. MARKS: 50**

**SECTION – A**

**(5 x 2 = 10)**

**ANSWER ANY 3 OUT OF 5 QUESTIONS IN 300 WORDS EACH**

1. What is the prisoner's dilemma? Name the strategy implied in it.
2. Is the equilibrium under cartels stable? Give reasons.
3. Explain the case of bilateral monopoly. Is the equilibrium determinate under such a situation?
4. Elucidate Arrow's Impossibility Theorem.
5. Explain the difference between adverse selection and moral hazard. Can one exist without the other?

**SECTION – B**

**(1 x 20 = 20)**

**ANSWER ANY 1 OUT OF 2 QUESTIONS IN 1200 WORDS**

6. Analyse the two-sector general equilibrium model with the help of diagrams.
7. Discuss Samuelson's sales maximization model in the presence of advertising.

