

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600086
(For candidates admitted from the academic year 2025 – 2026)

B.A. DEGREE EXAMINATION, APRIL 2026
BRANCH IV – ECONOMICS
SECOND SEMESTER

COURSE : CORE
PAPER : MICROECONOMICS II
SUBJECT CODE : 25EC/MC/ME25
TIME : 3 HOURS

MAX. MARKS: 100

Q. No.	SECTION - A Answer 4 out of 6 questions in 100 words each	(4x5=20)	CO	KL
1.	Outline the advantages of advertising.		CO1	K1
2.	What is Assymmetric information? Give an example.		CO1	K1
3.	What is monopsony? Give examples		CO1	K1
4.	State the conditions for General equilibrium.		CO1	K1
5.	What is monopolistic competition? List the characteristic features.		CO1	K1
6.	Outline the different sources of innovation according to Schumpeter.		CO1	K1
	SECTION - B Answer any 4 out of 6 questions in 100 words each	(4x5=20)	CO	KL
7.	Distinguish between real wages and nominal wages.		CO2	K2
8.	State the factors affecting supply of labour.		CO2	K2
9.	What is VMPL?		CO2	K2
10.	Distinguish between real and imaginary differences.		CO2	K2
11.	What are cartels? Are cartels legal in India?		CO2	K2
12.	Define Quasi rent.		CO2	K2
Q. No.	SECTION - C Answer any 2 out of 4 questions in 500 words each	(2x10=20)	CO	KL
13.	Explain Cournot's oligopoly model.		C03	K3
14.	Give a brief account of loanable funds theory of interest.		CO3	K3
15.	Illustrate and explain the case of excess capacity.		C03	K3
16.	Briefly outline the Ricardian theory of differential rent.		CO3	K3
	SECTION - D Answer any 2 out of 4 questions in 500 words each	(2x10=20)	CO	KL
17.	Discuss the causes of wage differentials.		CO4	K4
18.	Examine the nature of exploitation when there is imperfection in the product and factor market.		CO4	K4
19.	Explain the nature of the Kinked demand curve. What is its implication on price fixation?		CO4	K4
20.	Derive the general equilibrium condition for efficiency in production and consumption.		CO4	K4

Q. No.	SECTION - E (2x10=20) Answer any 2 out of 4 questions in 500 words each	CO	KL
21.	"The Prisoner's Dilemma illustrates a fundamental conflict between individual rationality and collective efficiency." Explain with the payoff matrix.	CO5	K5
22.	Analyze the transition of a firm in a monopolistically competitive market from short-run supernormal profits to long-run equilibrium. discuss whether this market structure is socially efficient compared to Perfect Competition	CO5	K5
23.	"In a market with asymmetric information, what is the impact on the market price of used cars when buyers cannot distinguish between high-quality vehicles and 'lemons'?"	CO5	K5
24.	Examine the role of trade unions in wage fixation.	CO5	K5
