

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted during the academic year 2011–12)

SUBJECT CODE: 11EC/PC/ME24

M. A. DEGREE EXAMINATION, APRIL 2012
BRANCH III – ECONOMICS
SECOND SEMESTER

COURSE : MAJOR - CORE
PAPER : MICRO ECONOMIC ANALYSIS - II
TIME : 3 HOURS **MAX. MARKS: 100**

SECTION – A

ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 300 WORDS. **(5 X 8 = 40)**

1. Are pricing and output under oligopoly indeterminate?
2. How are factor prices determined under perfect competition? What are the factors determining the demand for a factor of production?
3. “Euler’s theorem is able to explain product exhaustion when production function is homogeneous of the first degree” – Prove this statement.
4. Bring out the difference between Value of the Marginal Product(VMP) and Marginal Revenue Product (MRP) of an input, when there is perfect and imperfect competition in product/commodity markets.
5. Explain Monopsonistic exploitation of labour. How can trade unions (Collective bargaining) provide scope for increased wage and employment levels.
6. Explain externalities in Production.
7. Explain Cournot’s Duopoly model.

SECTION – B

ANSWER ANY THREE QUESTIONS. EACH ANSWER NOT TO EXCEED 1200 WORDS. **(3 x 20 = 60)**

8. State and Explain the price and output determination under
 - (a) Low cost price leadership
 - (b) Dominant firm
9. Critically examine William J Baumols sales maximization theory.
10. Explain the general equilibrium model of Walras (2x 2 x 2)
11. State and explain the Pareto’s criterion of social welfare with the help of Edgeworth Box diagram.
12. Critically evaluate Williamson’s utility maximization theory.
