

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted from the academic year 2008 – 2009 & thereafter)

SUBJECT CODE : EC/MC/ME24

B. A. DEGREE EXAMINATION, APRIL 2010
BRANCH IV - ECONOMICS
SECOND SEMESTER

COURSE : MAJOR – CORE
PAPER : MICRO ECONOMICS-II
TIME : 3 HOURS. MAX. MARKS : 100

SECTION – A

ANSWER ALL QUESTIONS. EACH ANSWER NOT TO EXCEED 50 WORDS:
(10X3=30)

1. Define selling cost.
2. Why is demand curve kinky?
3. Define Cartel.
4. Distinguish Nash & Dominant strategy equilibrium.
5. Define wastes of monopolistic competition.
6. What is the supply curve in factor market.
7. Define interest.
8. Explain Schumpeter's concept of profit.
9. Differentiate between general Equilibrium and partial Equilibrium.
10. What is meant by the markets with asymmetric information?

SECTION – B

ANSWER FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 300 WORDS.
(5X6=30)

11. "Perfect competition is a myth". Evaluate.
12. Explain Euler's theorem.
13. How is price determined under non-collusive oligopoly?
14. Draw a diagram to illustrate the factor pricing under perfect competition in factor market and imperfect competition in product market.
15. Give a brief account of economic, scarcity & differential rent.
16. Illustrate with diagram the liquidity preference theory of interest.
17. Discuss briefly the externalities.

SECTION – C

**ANSWER TWO QUESTIONS. EACH ANSWER NOT TO EXCEED 1200 WORDS.
(2X20=40)**

18. What is meant by monopolistic competition? Is product differentiation an outcome of monopolistic competition? Discuss the behaviour of the firm under monopolistic competition.
19. Diagrammatically illustrate the price determination under collusive oligopoly.
20. Discuss the role of trade union in the determination of wage.
21. Evaluate the marginal conditions of Pareto optimality in General Equilibrium analysis.
