

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86**  
**(For candidates admitted during the academic year 2007– 08 & thereafter)**

**SUBJECT CODE: EC/PC/ME24**

**M. A. DEGREE EXAMINATION, APRIL 2009**  
**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. Briefly analyse the basic assumptions of the neo-classical theory firm.
2. Examine Bain's concept of competition and entry.
3. How does Baumol's rationalise the sales maximization hypothesis?
4. Define managerial utility function.
5. Critically evaluate the Marginal Productivity Theory.
6. State and explain product exhaustion theorem.
7. Explain and illustrate the externalities with reference to market failures.

**SECTION – B**

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

8. Differentiate the Cournot and Bertrand's Duopoly model.
9. Critically analyse the equilibrium of collusive oligopoly.
10. Discuss the role of trade unions in fixing the wage.
11. Show how the Walrasian model explains general equilibrium theory.
12. Evaluate the various criteria of social welfare function.

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