

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

**SUBJECT CODE: 11EC/PC/ME24**

**M. A. DEGREE EXAMINATION, APRIL 2015**  
**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. What is meant by price rigidity under Oligopoly?
2. Explain the barriers of Bain's limit price theory.
3. Explain the concept of Euler's theorem.
4. Explain Modern theory of wages.
5. Is Walras' Theory so Different from Marshall's? – Comment.
6. In what way is general equilibrium analysis more useful?
7. What is new welfare economics? Explain its approach to social welfare.
8. Briefly discuss the concept of Asymmetric information.

**SECTION – B**

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

9. Briefly discuss the Baumol's sales maximization theory.
10. Explain the Marginal Productivity theory of factor pricing.
11. "General equilibrium of exchange occurs at a point on the exchange contact curve" – Explain.
12. In welfare economics attempt is made to establish criteria or norms to judge the social desirability of economic policies. Explain.
13. Write a brief note on the role of externalities and public goods in causing market failure.

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