

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted from the academic year 2015–16 and thereafter)
SUBJECT CODE: 15EC/MC/ME25
B. A. DEGREE EXAMINATION, APRIL 2018
BRANCH IV - ECONOMICS
SECOND SEMESTER

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

MAX. MARKS:100

SECTION – A

ANSWER ANY TEN QUESTIONS. EACH ANSWER NOT TO EXCEED 50 WORDS:

(10 X 2 = 20)

1. What is pure competition?
2. State the basic difference between selling costs and factor costs.
3. Compare AR and MR curves of a monopolistic competitive firm.
4. Distinguish between collusive and non-collusive oligopoly.
5. What is cartel?
6. What is meant by Nash Equilibrium.
7. Distinguish between cooperative and non-cooperative games.
8. Give the essence of Ricardian theory of distribution.
9. Explain the adding-up problem.
10. What do you mean by quasi-rent?
11. Distinguish between risk and uncertainty.
12. Why do markets fail?

SECTION – B

ANSWER FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 400 WORDS.

(5 X 8 = 40)

13. Explain the impact of selling cost and product differentiation on the demand curves of monopolistic competition.
14. What is game theory? Explain its application to oligopoly.
15. Derive the Marginal Productivity Theory of distribution.
16. What are the constituents of the supply of and the demand for loanable funds?
17. Can profits exist in a static society? Explain.
18. Distinguish between partial equilibrium and general equilibrium.
19. Why is adverse selection considered as a hidden information problem?
20. Explain positive and negative externalities with some examples.

SECTION – C

ANSWER TWO QUESTIONS. EACH ANSWER NOT TO EXCEED 1000 WORDS.

(2 X 20 = 40)

21. What is monopolistic competition? List out its distinguishing characteristics. Explain the long term equilibrium of the firm under monopolistic competition.
22. Explain the equilibrium of the firm with the factor market with the help of marginal productivity theory under conditions of perfect competition.
23. Elaborate the factors that give rise to wage differentials. How are wages determined under imperfect competition? Can collective bargaining affect wages.
24. How are prices and output determined under Kinked demand curve.
