K25P 1808

Reg. No. : ....

Name : ....

II Semester M.A. Degree (C.B.C.S.S. – OBE – Reg./Supple./Imp.) Examination, April 2025
(2023 and 2024 Admissions)
ECONOMICS/DEVELOPMENT ECONOMICS/APPLIED ECONOMICS
MAACO02C06/MADCO02C06/MAECO02C06 : Micro Economic Theory – II

Time : 3 Hours Max. Marks : 60

SECTION – I

Short answer question (**any 5**) : **(5×3=15)**

1. Explain the law of one price.
2. If limit price and LAC are 60 and 40 respectively, what is the condition of entry ?
3. Define the nature of TR of a sales maximiser when profit constraint is operative and not operative.
4. Distinguish between staff expenditure and slack payments.
5. What do you mean by predatory pricing and entry deterrence.
6. Explain endowment effect.

SECTION – II

Short essay questions (**Any 3**) : **(3×6=18)**

7. Explain consumer surplus and producer surplus approach in welfare analysis.
8. Give a short essay on the effects of monopoly power in the labour market.
9. What are the different conjecture of potential entrants in the context of economies of scale ?

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10. If $Dx = 20 - P_x$ and $Sx = P_x - 4$, find out the consumer and producer surpluses.

11. Distinguish between first and second theorems of welfare economics in terms of endowments.

SECTION – III

Essay questions (**Any 3**) : **(3×9=27)**

12. Write an essay on the contributions of North and Williamson to new institutional economics.

13. Present the mathematical frame of general equilibrium model ? How will you treat homogeneity based on that model ?

14. Explain the extended model of limit pricing given by Franco Modigliani.

15. Explain the marginal conditions of Pareto optimality.

16. Assess the behavioural theory of the firm based on bounded rationality, multiple goals and uncertainty.