# SECOND SEMESTER M.A. DEGREE EXAMINATION, JUNE 2018

(CUCSS)

Economics

ECO 2C 05—MICRO ECONOMIC THEORY AND APPLICATIONS—II

(2015 Admissions)

: Three Hours                                                  Maximum : 36 Weightage

## Part A

*Answer* **all** *questions.*
*Each question carries a weight of ¼.*

When we consider the determination of market price of a commodity we assume that prices of other goods do not change in :

  (a)  Partial equilibrium.        (b)  General equilibrium.

  (c)  Both (a) and (b).          (d)  None.

The slope of the isoquant measures :

  (a)  MRTS.                (b)  MRS.

  (c)  Both (a) and (b).          (d)  None.

Prof. Graff made a distinction between social welfare into :

  (a)  Three concept.           (b)  Two concept.

  (c)  One concept.            (d)  Four concept.

"Studies in the theory of welfare economics" by :

  (a)  M.W. Reder.           (b)  Baumol.

  (c)  Bergson.              (d)  Solow.

"Social choice and individual values" was formulated by :

  (a)  Walras.               (b)  Arrow.

  (c)  Debreau.             (d)  Kaldor.

The process by which the auctioneer groups towards the equilibrium set of relative prices and quantities is known as :

  (a)  Tatonnment.          (b)  Non-tatonnment.

  (c)  Pareto efficiency.       (d)  General equilibrium.

The long run impact of technical progress was explained by :

  (a)  Harrod.               (b)  Hicks.

  (c)  Kalecki.              (d)  Kaldor.

**Turn over**

8. The Passinetti model of income distribution workers receive :

    (a) Wage income only.

    (b) Non-wage income only.

    (c) Both (a) and (b).

    (d) None.

9. Adding up problem is also known as :

    (a) Product inexhaustion theorem.

    (b) Product exhaustion theorem.

    (c) Production function.

    (d) None.

10. For Marx, which factor alone is capable of producing surplus :

    (a) Land.

    (b) Labour.

    (c) Capital.

    (d) Organisation.

11. Who suggested that the price of a factor or production is determined by the demand forces ?

    (a) Marshall and Hicks.

    (b) Clark and Allen.

    (c) Lipsey and Samuelson.

    (d) Walras.

12. Quasi rent is :

    (a) Price-AVC.

    (b) Price-AFC.

    (c) Price-ATC.

    (d) Price-MC.

$(12 \times \frac{1}{4} = $

## Part B

*Answer any five questions.*
*Each question carries a weight of 1.*

13. Hawkin Simon condition.

14. Linear Programming Problem.

15. Rawls theory of justice.

16. Public goods.

17. Market signalling.

18. Product exhaustion theorem.

19. Positive and negative externalities.

20. Partial equilibrium.

$(5 \times 1 = $

## Part C

*Answer any eight questions.*
*Each question carries a weight of 2.*

21. Uses of input-output analysis.

22. Uses of linear programming problem.

23. $2 \times 2 \times 2$ general equilibrium model.

24. Social welfare function.

25. Externality and inefficiency.

26. Search and advertising.

27. Marginal productivity theory.

28. Tattonment.

29. Static properties of general equilibrium state.

30. Positive externality in consumption and production.

31. Production possibility curve.

(8 × 2 = 16 weightag

## Part D

*Answer any* **three** *questions.*
*Each question carries a weight of 4.*

32. New welfare economics.

33. Classical theory of distribution.

34. Graphical and simplex method of LPP.

35. Implications of asymmetric information.

36. Alternative theories of distribution.

(3 × 4 = 12 weight