

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

SECOND SEMESTER – APRIL 2010

EC 2501/EC 2500 - MICRO ECONOMICS - II

Date & Time: 20/04/2010 / 1:00 - 4:00 Dept. No.

Max. : 100 Marks

PART – A

Answer any FIVE questions in about 75 words each:

(5 X 4 = 20 marks)

1. Compare factor pricing with product pricing.
2. Define 'Rent'.
3. What is meant by Pure Profit?
4. Define welfare economics.
5. Define 'Economic System'.
6. Explain Conflict Curve.
7. What is mixed economy?

PART – B

Answer any FOUR questions in about 300 words each:

(4 X 10 = 40 marks)

8. List out the effects of labour union on monopsonistic labour market.
9. Explain the concept of 'transfer earning' and 'economic rent'.
10. What is quasi rent?
11. What is meant by time preference?
12. Bring out the limitation of the 'pareto criteria'.
13. Distinguish between 'Internal' and 'International trade'.
14. Explain the concept of gains from international trade.

PART – C

Answer any TWO questions in about 900 words each:

(2 X 20 = 40 marks)

15. Explain the 'Marginal Productivity Theory of distribution'.
16. What are the conditions that must be fulfilled to achieve pareto optimality in exchange under perfect conditions?
17. Compare the advantages and disadvantages of free-trade with protective trade.
18. What is market mechanism? How does market mechanism work to solve the basic problems in the free market economy? Under what condition does the market mechanism work efficiency to solve the economic problems?

\$\$\$\$\$\$