



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

SECOND SEMESTER – APRIL 2013

**EC 2501 - MICRO ECONOMICS - II
(FROM 12 BATCH ONLY)**

Date: 30/04/2013
Time: 9:00 - 12:00

Dept. No.

Max. : 100 Marks

PART – A

Answer any FIVE questions in about 75 words each:

(5x4 = 20 marks)

1. How do labour unions influence wages?
2. Elucidate the relation between risk and profits.
3. State the conditions for Pareto optimality.
4. What are the features of utility possibility frontier?
5. Define welfare Economics.
6. State the compensation principle.
7. How do prices influence income distribution?

PART – B

Answer any FOUR questions in about 300 words each:

(4x10 = 40 marks)

8. Discuss the marginal productivity theory.
9. What is monopsony? Discuss the conditions for its existence.
10. Explain the Ricardian theory of rent.
11. Write a note on the relation between uncertainty and profits.
12. Discuss Scitovsky's paradox.
13. What are the limitations of Pareto's criterion?
14. Discuss the role of prices in an economic system

PART – C

Answer any TWO questions in about 900 words each:

(2x20 = 40 marks)

15. Elucidate the modern theory of rent.
16. Explain how input prices are determined in a perfectly competitive market.
17. Bring out the conditions for attaining Pareto optimality.
18. Critically evaluate Kaldor-Hicks welfare criterion.

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