LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – **ECONOMICS**

SECOND SEMESTER – **APRIL 2022**

UEC 2501 – MICRO ECONOMICS - II

Date: 16-06-2022 Dept. No. Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

Section – A

Answer any FIVE questions in about 75 words each. (5 x 4 = 20 marks)

1. What is meant by collective bargaining?
2. What is differential rent?
3. What are loanable funds?
4. Define welfare economics.
5. State the compensation principle.
6. Write short note on (a) monopoly and (b) monopsony.
7. What is liquidity trap?

Section – B

Answer any FOUR questions in about 250 words each. (4 x 10 = 40 marks)

8. Illustrate the marginal conditions for factor pricing.
9. Diagrammatically explain the marginal productivity theory of wages.
10. Explain the Keynes liquidity preference theory of interest.
11. Analyse the Pareto criterion and Pareto optimality condition.
12. Examine the significance of Scitovsky's double criterion.
13. Enumerate the limitations of Pareto criterion.
14. Bring out the Knight's uncertainty bearing theory of profit.

Section – C

Answer any TWO questions in about 900 words each. (2 x 20 = 40 marks)

15. Explain the factor pricing under perfect competition.
16. Evaluate the Schumpeter's innovation theory of profit.
17. Elaborate the equilibrium in exchange using Edgeworth box diagram.
18. Critically examine the Kaldor-Hicks compensation principle with suitable diagram.

&&&&&&&&&&&