

**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**



**B.A.DEGREE EXAMINATION –ECONOMICS**

**SECOND SEMESTER – APRIL 2018**

**EC 2501 / EC 2500 – MICRO ECONOMICS – II**

**(UP TO 11 BATCH)**

Date: 02-05-2018

Dept. No.

Max. : 100 Marks

Time: 01:00-04:00

**PART-A**

**Answer any FIVE questions in not exceeding 75 words each: (5×4=20 marks)**

1. What is monopsony?
2. Differentiate between money wage and real wage.
3. What are the assumptions of the Ricardian theory of rent?
4. What is Pareto optimality?
5. What are the bases for international trade?
6. What do you mean by income distribution?
7. What are the important causes of inequalities in income distribution?

**PART-B**

**Answer any FOUR questions in not exceeding 300 words each: (4×10=40 marks)**

8. Describe the long-run equilibrium of the firm and industry under perfect competition.
9. State and explain the modern theory of rent.
10. Explain Pareto criterion with the help of utility possibility curve.
11. What are the factors that determine the gains from trade?
12. Explain the role of price mechanism in a free market economy.
13. Explain the effect of collective bargaining with respect to wage rate.
14. Explain and criticize Prof.Knight's uncertainty-bearing theory of profit.

**PART-C**

**Answer any TWO questions in not exceeding 900 words: (2×20=40 marks)**

15. Critically examine Clark's version of Marginal Productivity Theory of factor pricing.
16. Critically explain Keynes' Liquidity Preference Theory of Interest.
17. Describe the limitations of Pareto criterion.
18. State the case for and against free trade.

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