LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034	
M.A. DEGREE EXAMINATION – ECONOMICS	
FIRST SEMESTER – APRIL 2022	
PEC 1501 – MICRO ECONOMIC THEORY AND APPLICATION - I	
Date: 16-06-2022 Dept. No.	Max. : 100 Marks
Time: 01:00 PM - 04:00 PM	
Section A	
Section – A Answer any FIVE questions in about 75 words each.	(5 x 4 = 20 marks)
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1. State the significance of Economic statics and Economic dynamics.	
2. Define Pareto criterion and optimality.	
3. What is meant by Learning curve effect?	
 List out the objectives of buffer stock operation. What is next of product differentiation? 	
 5. What is cost of product differentiation? 6. Write a short note on wage offer curve. 	
6. Write a short note on wage offer curve.7. Distinguish between price ceiling and price floor.	
Section – B $(4, 10, 40, 1)$	
Answer any FOUR questions in about 250 words each.	(4 x 10 = 40 marks)
8. Explain the Harrods's conception of economic dynamics.	
 9. Illustrate the "Gains from trade" using indifference curves. 	
10. Identify the least-cost combination of factors with suitable diagram.	
11. Analyse the effect of unplanned fluctuations in production on income of the farmers.	
12. Bring out the Kaldor's critique of the theory of excess capacity.	
13. Describe the application of comparative static in economics.	
14. Examine the welfare effects of direct and indirect taxes with indifference curve.	
Section – C	
Answer any TWO questions in about 900 words each.	(2 x 20 = 40 marks)
15. Compare and contrast price subsidy and lump-sum grant. Give examples and justify the reasons for	
implementing such schemes.	
16. Discuss the decomposition of 'Price Effect' into 'Output Effect' and 'Substitution Effect'.	
17. Critically examine the Sraffa's view on incompatibility of competitive equilibrium.	
18. Discuss the critique of Chamberlin's theory of Monopolistic Competition.	
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