LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

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

SECOND SEMESTER – APRIL 2022

UEC 2501 - MICRO ECONOMICS - II (2021 BATCH)

Date: 16-06-2022 Dept. No. Time: 01:00 PM - 04:00 PM Max.: 100 Marks

	SECTION A							
Ans	swer ALL the Questions							
1.	Write short note on (5 x 1 =							
a)	Value of the marginal product	K1	CO1					
b)	Quasi rent	K1	CO1					
c)	Monopsony	K1	CO1					
d)	Rate of Interest	K1	CO1					
e)	Utility possibility curve	K1	CO1					
2.	Fill in the blanks(5 x 1 = 5 marks)							
a)	Price for the use of land is called as	K1	CO1					
b)	Marginal physical product of factor multiplied by marginal revenue is known as	K1	CO1					
c)	is measured in terms of goods and services.	K1	CO1					
d)	Social welfare is the sum of the conditional utility.	K1	CO1					
e)	According to Pareto, goods are perfectly	K 1	CO1					
3.	Match the following (5 x 1 = 5 marks)							
a)	Rent theory - Scitovsky paradox	K2	CO1					
b)	Marginal productivity theory - Pareto	K2	CO1					
c)	Uncertainty theory - Ricardo	K2	CO1					
d)	Marginal social welfare - J.B. Clark	K2	CO1					
e)	Double criterion model - Knight	К2	CO1					
4.	TRUE or FALSE(5 x 1 = 5 marks)							
a)	Exploitation of factor occurs when it is paid more than the value of its marginal	K2	CO1					
	product.							
b)	Transaction motive is otherwise called as income motive.	K2	CO1					
c)	Profits are residual income left after the payment of the contractual rewards to other	K2	CO1					
	factors of production.							
d)	The concept of economic efficiency is based on profit motive.	K2	CO1					
e)	Rent theory explains law of diminishing returns in agriculture.	K2	CO1					

			CTION B			
Ans	wer any TWO question	ons in about 150 wo	rds each.	(2 x 10 =	= 20 ma	rks)
5.	Illustrate the motives	for liquidity preferen	ice.		К3	CO2
6.	Analyse the Scitovsk	y's double criterion o	f welfare.		K3	CO2
7.	Explain the Pareto's optimality conditions for achieving of economic efficiency					CO2
8.	On the basis of information given in the following table calculate VMP, PQ and MRP.				К3	CO2
	Units of a factor	Total output	MPP	Price of the product		
	1	25	25	2		
	2	70	45	2		
	3	110	40	2		
	4	145	35	2		
	5	172	27	2		
	6	191	8	2		
	7	191	0	2		
	กินแก่สามารถสามารถสามารถสามารถสามารถสามารถสามารถสามารถสามารถสามารถสามารถสามารถสามารถสามารถสามารถสามารถสามารถสา	SEC	CTION C			
Ans	wer any TWO question	ons in about 150 wo	rds each.	(2 x 10 =	= 20 ma	ırks)
9.	Explain the loanable funds theory of interest.					CO3
10.	Analyse the concept of Quasi Rent.					CO3
11.	Explain the marginal productivity theory of distribution.					CO3
12.	Briefly explain the determination of factor prices under monopsony.					CO3
	A	SEC	CTION D			l.
Ans	wer any ONE questio	n in about 250 word	ls.	(1 x 20	= 20 m	arks)
13.	Elaborate the determination of factor prices under perfect competition.					CO4
14.	Critically examine Ri	cardian theory of ren	t.		K5	CO4
	<u>.</u>	SEC	CTION E			
Ans	wer any ONE questio	n in about 250 word	ls.	(1 x 20	= 20 m	arks)
15.	Show how Kaldor-Hicks criterion helps in solving the problem of indeterminacy				K6	CO5
	involved in Pareto's analysis of maximisation of social welfare.					
16.	Analyse the modern theory of profit.					CO5

&&&&&&&&&&&&