LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

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

SECOND SEMESTER – **APRIL 2025**

UEC2MC01 – MICROECONOMICS - II

Date: 25-04-2025 Dept. No. Max. : 100 Marks

Time: 09:00 AM - 12:00 PM

Q.No	Levels		
		SECTION A - K1 & K2 (CO1)	
Q.No	Levels	**Answer ALL the Questions**	**(10 x 2 = 20)**
1	K1	Define Price signalling.	
2		Explain the concept of product differentiation.	
3		State the meaning of classical theory of wage determination.	
4		Recall the term rent seeking.	
5		Outline the demand for Loanable funds.	
6	K2	What is classical theory of interest?	
7		Infer the term 'input –output analysis.'	
8		Define linear production function.	
9		Illustrate welfare economics.	
10		Summarise Scitovisky paradox.	
		SECTION B – K3 & K4 (CO2)	
		Answer ALL the Questions	**(4 x 10 = 40)**
11	K3	How is price determined under kinked oligopoly model?	
		[OR]	
12		Explain the assumptions of Ricardian theory of rent ?	
13		Point out the limitations of liquidity preference theory.	
		[OR]	
14		Explain the Loanable funds theory of interest.	
15	K4	Explain the Kaldor- Hicks Compensation principle.	
		[OR]	
16		Identify the assumptions of Euler's theorem.	
17		Present the economic cum mathematical properties of the Cobb Douglas production function.	
		[OR]	
18		"Monopolistic competition is competition with differentiated products". Elucidate.	
		SECTION C – K5 & K6 (CO3)	
		Answer ALL the Questions	**(2 x 20 = 40)**
19	K5	Point out the main characteristics of Oligopoly. Explain the price and output determination process under price leadership in oligopoly.	
		[OR]	
20		Describe the modern theory of wage determination.	
21	K6	"Profit is the reward for risk-taking and uncertainty bearing" Explain.	
		[OR]	
22		What is Pareto optimality criterion? Discuss the efficiency distribution of commodities among consumers with the criterion.	
