

Reg. No. :

Name :

Second Semester M.A. Degree Examination, July 2019

Branch : Economics

EC 221 – MICRO ECONOMICS – II

(2013 – 17 Admission)

Time : 3 Hours

Max. Marks : 75

PART – A

Define the following in one or two sentences.

1. Social Welfare
2. Public Goods
3. Adding up Problem
4. Moral Hazard
5. Productivity
6. Certainty Consumption
7. Optimal Consumption
8. Search Model
9. Risk Pooling
10. Partial Equilibrium

(10 × 1 = 10 Marks)

P.T.O.



PART – B

Answer **any seven** of the following, each not exceeding 500 words.

11. Explain the relationship between externalities and efficiency.
12. Explain the Marxian theory of distribution.
13. Explain the theory of non-tatonement process.
14. What is the contention of Akerlof on market for lemons?
15. What is the idea of optimal consumption under uncertainty?
16. Explain economics of insurance and risk.
17. How can we account the principal – agent problem?
18. What is marginal productivity theory of distribution? What are its limitations?
19. What are the applications of Pareto optimality criterion?
20. How asymmetric information affect demand for labour?

(7 × 5 = 35 Marks)

PART – C

Answer **any three** of the following each not exceeding 1200 words.

21. Explain the Ricardian theory of macro distribution.
22. How uncertainty and risk affect individual economic behavior?
23. Explain Kaldor-Hicks compensation criterion.
24. Explain Rawl's theory of justice.
25. Externalities lead to tragedy of the commons. Explain.

(3 × 10 = 30 Marks)

