

Subject Code : ECO/II/02

06 MAY 2016

Booklet No. A

1185

06 MAY 2016 ECO/II/02

2016

(2nd Semester)

ECONOMICS

SECOND PAPER

(Microeconomics—II)

Full Marks : 75

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 50)

The figures in the margin indicate full marks for the questions

1. Critically explain the marginal productivity theory of distribution. 10

Or

- Discuss the liquidity preference theory of interest. 10

Signature of Candidate

Semester

Commerce /

) Exam., 2016

Signature of

Signature of Examiner(s)

G16/213a

(Turn Over)

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(2)

2. Explain the equilibrium of a firm in the factor market under perfect competition. 10

Or

What do you mean by the firm's demand for factor services? Write the factors affecting the firm's demand for factor services. 3+7=10

3. What is welfare economics? Explain Pareto's criterion of social welfare. 2+8=10

Or

What is social welfare function? Critically explain Bergson's social welfare function. 2+8=10

4. Discuss the internal rate of return method of project evaluation. 10

Define payback period. How is payback period used as a means for investment analysis by the producers? 2+8=10

5. State and explain the absolute advantage theory of international trade. 10

Or

Discuss briefly the Heckscher-Ohlin theory of international trade. 10

To be filled in by the Candidate

DEGREE 2nd Semester
(Arts / Science / Commerce
) Exam., 201

Subject
Paper

INSTRUCTIONS TO CANDIDATE

1. The Booklet No. of this script should be quoted in the answer script for all descriptive type questions and vice versa.
2. This paper should be ANSWERED and submitted within 1 (one) hour of the commencement of Examination.
3. While answering the questions in the booklet, any cutting, erasing, writing or furnishing more than one answer is prohibited. Any rough work, if required, should be done in the main Answer Book. Instructions given in each question should be followed for answering that question only.

Signature of
Scrutiniser(s)

Signature
Examiner

2016

(2nd Semester)

ECONOMICS**SECOND PAPER****(Microeconomics—II)**

(PART : A—OBJECTIVE)

(Marks : 25)

*The figures in the margin indicate full marks for the questions***SECTION—II**

(Marks : 10)

Tick (✓) the correct answer in the brackets provided :

1×10=10

1. Marginal productivity theory is also called

- (a) real theory ()
- (b) classical theory ()
- (c) monetary theory ()
- (d) None of the above ()

2. The uncertainty-bearing theory of profit was propounded by

- (a) F. H. Knight ()
- (b) F. B. Hawley ()
- (c) P. A. Samuelson ()
- (d) Joseph Schumpeter ()

3. Factor prices are determined in the factor market under the forces of

- (a) marginal productivity ()
- (b) elasticity of demand ()
- (c) elasticity of supply ()
- (d) demand and supply ()

4. The labour market equilibrium determines the wage rate and

- (a) investment ()
- (b) employment ()
- (c) savings ()
- (d) profits ()

5. Welfare economics is

- (a) a positive science ()
- (b) a normative science ()
- (c) both a positive science and a normative science ()
- (d) None of the above ()

6. Compensation criterion principle is associated with the name of

- (a) Vilfredo Pareto ()
- (b) Prof. Bergson ()
- (c) A. C. Pigou ()
- (d) Kaldor-Hicks ()

7. If the net present value is greater than zero, then the project is

- (a) accepted ()
- (b) rejected ()
- (c) neither accepted nor rejected ()
- (d) postponed ()

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8. The period of time required to recover initial cost of investment is called

- (a) payback period ()
- (b) annual average rate of return ()
- (c) internal rate of return ()
- (d) net present value ()

9. The absolute advantage theory of international trade is associated with

- (a) David Ricardo ()
- (b) Adam Smith ()
- (c) Alfred Marshall ()
- (d) Heckscher-Ohlin ()

10. Trade among different regions within the same country is known as

- (a) international trade ()
- (b) interregional trade ()
- (c) bilateral trade ()
- (d) trilateral trade ()

SECTION—B
(Marks : 15)

Write short notes on the following :

1. Quasi-rent

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2. Monopsony

Write short notes on the following (2) (20 marks)

(a) Monopsony

(b) Monopsony power

(c) Monopsony and price discrimination

(d) Monopsony and deadweight loss

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3. Value judgement

Write short notes on the following (2) (20 marks)

(a) Value judgement

(b) Value judgement and ethics

(c) Value judgement and business

(d) Value judgement and society

(8)

4. Net present value

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(9)

5. Tariffs

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