

27-5-13



Doon University, Dehradun  
Semester Final Examination, 2013  
School of Social Science

M.A. Semester-II (Economics)  
Course : SSE-530/SSE-505:Microeconomics-II

Time Allowed :3 hrs

Maximum Marks :50

Section - A

Attempt all questions

Marks: 2x5=10

Q.1 Write a short note on the following:

- a. Second Best Solution
- b. Asymmetric Information
- c. Surplus Value
- d. Free Rider Problem
- e. Bliss Point

Section - B

Attempt all questions.

Marks:5x4=20

- Q.1 What is meant by exploitation of labour? Show how labour is exploited under monopsony in a labour market.
- Q.2 Evaluate Kaldor's Model of Distribution.
- Q.3 Explain briefly Wicksteed's Solution of Product Exhaustion Problem with Euler's Theorem.
- Q.4 What is meant by optimum allocation of resources? Show that monopoly leads to misallocation of resources.

**Section - C**

Attempt any two questions

**Marks:10x2=20**

- Q.1 Assuming that there are two firms producing homogenous products, explain how price and output are determined where there is price leadership by
- the lower cost firm, and
  - the dominant firm
- Q.2 Pareto Optimality is necessary but not a sufficient condition for Social Welfare maximization. Discuss.
- Q.3 What is Compensation Principle of judging change in social welfare brought about by the adoption of an economic policy?