

2012

(July)

ECONOMICS

[Microeconomic Analysis-II]

Full Marks :75 Time 3 hours

Figures in the margin indicates full marks for the questions

Answer any five questions selecting at least one question from each credit.

Credit -I

1. Critically examine O.Williamson's model of managerial discretion. In what way is it different from traditional model ? 10+5=15
2. Explain the limit price principle of Sylos-Labini. How did Modigliani and Bhagwati improved it ?

8+7=15

Credit –II

3. (a) Discuss the Pareto –Optimality criterion of social welfare. 8
- (b) What is the compensation principle of social welfare ? 7

4. Write short notes on any two of the following: 7.5x2=15

- (a) Sen's proof Of the Arrow's impossibility theorem
- (b) The theory of second best.
- (c) Rawl's contribution to social welfare and justice.

Credit –III

5. Discuss the Walras model of general equilibrium. Comment on the existence , uniqueness and stability of general equilibrium. 9+6=15

6. Explain the fixed point theorem. Explain how the theorem is used to prove the existence of the general equilibrium. 3+12=15

Credit -IV

7. What is the adding-up problem ?State and prove Clark-Wicksteed-Walras product exhaustion theorem. 3+2+10=15

8. Write short notes on any two of the following: 7.5x2=15

(a) Bilateral monopoly

(b) Choice of optimal combination of inputs.

(c) The supply of labour by an individual in perfectly competitive markets.