

2013

(July)

ECONOMICS

[Microeconomic Analysis – II]*Full Marks: 75**Time: 3 hours**The figures in the margin indicate full marks for the questions*Answer **five** questions, taking at least **one** from each Credit

CREDIT - I

1. Compare the behavioural theory with the traditional theory of the firm. Evaluate the contribution of the behavioural theory to the development of the theory of the firm. 8 + 7 = 15

2. Explain Bain's concepts of competition and entry. What are the main barriers to entry according to him? Discuss. 5 + 10 = 15

CREDIT - II

3. What is social welfare function? State its properties and limitations. 4 + 7 + 4 = 15

4. State and explain Arrow's impossibility theorem. 15

CREDIT - III

5. Explain the optimality properties of a general equilibrium state. 15

6. Discuss the excess demand function approach to general equilibrium analysis. Under what conditions will general equilibrium exist and be unique? 10 + 5 = 15

CREDIT - IV

7. Explain how the price of a factor is determined when the buyer firm has monopolistic power in the commodity market as well as monopsonistic power in the factor market. 15

8. Write short notes on any two of the following: 7.5 x 2 = 15
 (a) Bilateral monopoly
 (b) The supply of labour in perfectly competitive markets
 (c) Euler's product exhaustion theorem