

SECTION – A **5 × 1 = 5**

Answer ALL questions. Choose the correct answer.(K2)

- 1 Marginalism is an economic principle that focuses on incremental in _____ K2
a) cost b) benefits
c) cost and benefits d) cost or benefits

- 2 _____ was the first economist to formulate the Limit Pricing Theory in an article in the year 1949 K2
a) Joe S. Bain b) Sylos
c) Modigliani d) Pashigian

- 3 _____ describe a set of strategies where each player believes that it is doing the best it can, given the strategy of the other player K2
a) Dominant Strategy b) Minimax Strategy
c) Minimax Equilibrium d) Nash Equilibrium

- 4 In the competitive labour market, the wage rate will be determined by the _____ of a given quantity of labour force K2
a) average product b) marginal product
c) total product d) average or total product

- 5 The concept of Social Welfare Function was propounded by _____ K2
a) Modigliani b) Joe S. Bain
c) A. Bergson d) John M. Keynes

II. Fill in the blanks (K1)**5 × 1 = 5**

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| 6 | According to Baumol, a firm aims at maximizing its _____ in the long run subject to a profit constraint | K1 |
| 7 | Modigliani developed the Limit Pricing Model by relaxing some rigid assumptions concerning _____ made by Sylos | K1 |
| 8 | In the case of repeated game, tit-for-tat strategy results in _____ behaviour among Oligopolists | K1 |
| 9 | _____ can be obtained by taking out the difference between the two successive total revenues | K1 |
| 10 | In Pareto Optimality, the _____ means that allocation of resources among the production of various goods is in accordance with the preferences of the people | K1 |

SECTION – B**5 x 2 = 10****Answer ALL questions.**

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| 11 | State the organizational goals according to Cyert and March | K2 |
| 12 | What is meant by Chargin Effect ? | K3 |
| 13 | Write the meaning of Entry Deterrence | K2 |
| 14 | What is meant by Product Exhaustion Problem ? | K5 |
| 15 | Define Welfare Economics | K4 |

SECTION – C**5 x 5=25****Answer all questions choosing either (a) or (b).**

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| 16 a) | Explain Marris's managerial theory of a firm | K1 |
| (Or) | | |
| b) | What is meant by organizational slack ? Explain its role in the behavioural theory of a firm | K1 |
| 17 a) | List the advantages and disadvantages of Limit | K3 |

Pricing**(Or)**

- | | | |
|-------------|--|----|
| b) | Explain the sources of entry barriers as described by Bain. Also explain how is the Limit Price determined | K3 |
| 18 a) | Distinguish between cooperative game and non cooperative game | K2 |
| (Or) | | |
| b) | Explain how prisoners dilemma is used to explain the instability of a cartel. | K2 |
| 19 a) | Explain the Marshall-Hicks version of Marginal Productivity Theory | K4 |
| (Or) | | |
| b) | Explain the technological progress and factors share in income | K4 |
| 20 a) | Assess the role of value judgments in welfare economics | K2 |

(Or)

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| b) | Narrate the assumptions of Compensation Principle | K2 |
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SECTION – D**3 x 10 = 30****Answer any THREE questions.**

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| 21 | Evaluate the full cost pricing theory | K1 |
| 22 | Examine Sylos-Labini Model of Limit Pricing | K2 |
| 23 | Explain the Neumann-Morgersten theory of game. Also explain on what grounds it has been criticized | K3 |
| 24 | Discuss the criticisms leveled against the Marginal Productivity Theory | K4 |
| 25 | Analyze the conditions for Pareto Optimality | K5 |