

(Pages : 3)

R – 2977

Reg. No. :

Name :

Second Semester B.A. Degree Examination, September 2023

First Degree Programme under CBCSS

Economics

Core Course II

EC 1241 : INTERMEDIATE MICROECONOMICS

(2019 Admission Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions. Each question carries **1** mark.

1. Factor markets
2. Risk
3. Flows
4. Altruism
5. Fairness
6. Probability
7. Inequality
8. Present discounted value

P.T.O.

9. Expected value
10. Social norms

(10 × 1 = 10 Marks)

SECTION – B

Answer any **eight** questions not exceeding one page. Each question carries **2** marks.

11. What is the role of investment in factor markets?
12. What factors influence the demand for factors of production?
13. Discuss the main participants in capital market.
14. What do you mean by dominant strategy?
15. Explain the main types of social preferences.
16. How do individuals make choices in microeconomics?
17. What factors contribute to the distribution of surplus in a market?
18. What does “dividing a pie” refer to in microeconomics?
19. How does probability relate to risk?
20. Discuss the relationship between risk and interest rates.
21. How does preference towards risk affect decisions?
22. How does the presence of altruistic individuals impact the strategic choices made in the Prisoner’s Dilemma?

(8 × 2 = 16 Marks)

SECTION – C

Answer any **six** questions not exceeding 120 words. Each question carries **4** marks.

23. What types of financial instruments are traded in capital markets?
24. How do social preferences influence economic decision-making?
25. What factors should be considered when evaluating the feasibility of solutions in microeconomics?

26. How do players’ preferences and payoffs influence their strategies in game theory?
27. Explain the concept of peer punishment address the free-rider problem.
28. Discuss the potential challenges and limitations of relying on social norms for resource distribution in microeconomics.
29. Discuss the role of government intervention in implementing effective redistribution policies.
30. How does the concept of time impact factor pricing, investment decisions, and resource allocation?
31. Discuss the challenges and limitations of government intervention in correcting market failures.

(6 × 4 = 24 Marks)

SECTION – D

Answer any **two** questions not exceeding 4 pages. **Each** question carries **15** marks.

32. Explain Pareto efficiency curve illustrate the optimal allocation of resources in an economy.
33. Describe the implications of factor market equilibrium for income distribution.
34. Discuss the causes and different methods used to measure economic inequality.
35. Explain the consequences of market failure for economic efficiency and societal welfare.

(2 × 15 = 30 Marks)