(6 pages)

Reg. No. : ...............................

Code No. : 5412        Sub. Code : WESE 14

M.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2023

First Semester

Economics

Elective – WELFARE ECONOMICS

(For those who joined in July 2023 onwards)

Time : Three hours        Maximum : 75 marks

PART A — (15 × 1 = 15 marks)

Answer ALL questions.

Choose the correct answer :

1. Welfare economics is primarily concerned with

   (a)  Maximising social welfare and utility

   (b)  Economic Growth

   (c)  Preference and utility

   (d)  None of these

2. ——————— mean the conceptions or ethical beliefs of the people about what is good or bad.

   (a)  Utility              (b)  Value Judgements

   (c)  Preferences          (d)  None

3. ——————— is a function that ranks social states as less desirable, more desirable, or indifferent for every possible pair of social states.

   (a)  Social welfare function

   (b)  Demand Function

   (c)  Supply Function

   (d)  Market Function

4. Cardinal Utility is ——————— based on Utils

   (a)  Measured            (b)  Ranked

   (c)  Both                (d)  None

5. The Edgeworth box is named after ———————

   (a)  Francis W. Edgeworth

   (b)  Francis Ysidro Edgeworth

   (c)  Both

   (d)  None

6. ——————— equals the total economic surplus.

   (a)  Consumer surplus  (b)  Producer surplus

   (c)  Both (a) and (b)   (d)  None of these

7. ———— is a situation where no action (or) allocation is available that makes on individual better off without making another worse off.

(a) Pareto optimality  (b) Externalities

(c) Market Failures  (d) Public Goods

8. Public Goods are those for which consumption is ————

(a) Rival  (b) Non–rival

(c) Both  (d) None of these

9. What is an example of market Failure?

(a) A growth of competition

(b) An existence

(c) A spread of Pollution

(d) A surplus of Production

10. The compensation principles was suggested by Hicks and Kaldor in ————

(a) 1939  (b) 1940

(c) 1942  (d) 1947

11. The Scitovsky criterion was developed by Tibor scitovsky in ————

(a) 1940  (b) 1941

(c) 1943  (d) 1945

12. Little criticises the separation between ———— and ————

(a) Supply, Demand

(b) Efficiency, Distribution

(c) Price, Demand

(d) None of these

13. The shape of Production Possibilities Curve is ————

(a) Positive  (b) Linear

(c) Convex  (d) Concave

14. ———— assumes that agents have complete and well-ordered preferences over all the outcomes under consideration in a collective choice situation

(a) Capability Theorem

(b) Impossibility Theorem

(c) Theory of Social Justice

(d) Production Possibility Curve

15. ———— originally rejected cardinal utility as a meaningful tool for expressing social welfare.

(a) Arrow  (b) Amartya Sen

(c) Adam Smith  (d) Robert John

PART B — (5 × 4 = 20 marks)

Answer ALL questions, choosing either (a) or (b).

16. (a) Explain the concepts of Welfare Economics.

Or

(b) State the social Welfare Function.

17. (a) Narrate the cardinal approach.

Or

(b) Write a short note on 'General Equilibrium.

18. (a) Mention the Pareto-Optimality Criterion.

Or

(b) Explain the theory of second best.

19. (a) Outline the New Welfare Economics.

Or

(b) Write a brief note on Little's criterion.

20. (a) Indicate the utility Possibility curve.

Or

(b) Explain the capability Theorem.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

21. (a) Discuss the significances of welfare Economics.

Or

(b) Elucidate the Pigouvian Welfare Economics.

22. (a) Examine Hicks's Four Measures of Consumers' Surplus.

Or

(b) Critically examine Edgeworth Box Diagram.

23. (a) Briefly explain the Marginal conditions of Pareto optimum.

Or

(b) Describe the features of Public Goods.

24. (a) Bring out the compensation Criterion.

Or

(b) Enumerate the Scitovsky Paradox.

25. (a) Explain in detail Arrow's Impossibility Theorem.

Or

(b) Analysis the theory of social Justices.

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