

(6 pages)

Reg. No. :

Code No. : 5260

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M.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2022

First Semester

Economics

Elective – WELFARE ECONOMICS

(For those who joined in July 2021 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Most commonly, the term _____ refers to an individual's opinion
- (a) Value judgement
 - (b) Value
 - (c) Value Neutral
 - (d) Neutral

2. The welfare of the society depends upon the satisfaction levels of all its _____

- (a) Producers
- (b) Consumers
- (c) Teachers
- (d) Bankers

3. A situation in which it is impossible to make anyone better off without making someone _____ off

- (a) Better
- (b) Clear
- (c) Worse
- (d) Clean

4. Marginal condition for efficiency in the allocation of factors among firms in _____

- (a) Factory
- (b) Industry
- (c) Consumption
- (d) Production

5. Since under _____ competition every consumer good must be equal to the ratio of their prices.

- (a) Oligopoly
- (b) Monopoly
- (c) Imperfect
- (d) Perfect

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6. The basic idea we use is the notion of a competitive economy
- (a) Third (b) Second
(c) First (d) Fourth
7. Competitive equilibrium is pareto efficient if
- (a) One firm is a monopolist
(b) Lump-sum taxes are imposed
(c) There are externalities
(d) Per unit taxes are imposed
8. The process of transferring purchasing power from tax payers to the taxing authority
- (a) Welfare loss (b) Welfare valuation
(c) Welfare gain (d) Welfare Estimation
9. The Scitovsky criterion does not solve the problem arising from the _____ criterion.
- (a) Kaldor (b) Lionel
(c) Cournot (d) Keynes
10. The concept of social welfare function was propounded by
- (a) Arrow (b) Bergson
(c) Rawl (d) Keynes

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PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) State the term value judgement.
- Or
- (b) List out the assumptions of social welfare.
12. (a) State Pareto optimality condition.
- Or
- (b) What are the four measures of consumer surplus?
13. (a) How does resources optimally allocate under Capitalism?
- Or
- (b) How does resources optimally allocate under socialism?
14. (a) What do you mean by second best optima?
- Or
- (b) Define tax. State its merits and demerits.

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[P.T.O.]



15. (a) What are the contributions of Sen's about welfare?

Or

- (b) Define Utilitarian social welfare.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Explain the concept of value judgement in welfare economics.

Or

- (b) Give a detailed explanation for positive and normative economics in social welfare.

17. (a) Critically analyse Kaldor-Hicks welfare criterion.

Or

- (b) Elucidate the possibility curve by Samuelson's utility with diagram.

18. (a) Describe the views of Barone about socialism as a welfare.

Or

- (b) Relate pareto optimality with Monopoly.

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19. (a) Critically examine the causes of divergence between private and social cost with the problems of Non-market interdependence.

Or

- (b) Expound cost-benefit Analysis.

20. (a) Analyse Sen's Paretian liberal theorem.

Or

- (b) Spell out the Rawlsian social welfare function.
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