

2008**M.A. / M.Sc.****1st Semester Examination****ECONOMICS WITH RURAL DEVELOPMENT****PAPER—III***Full Marks : 40**Time : 2 Hours**The figures in the right-hand margin indicate full marks.**Candidates are required to give their answers in their own words as far as practicable.**Illustrate the answers wherever necessary.***Group—A**

1. Answer any five questions : 2×5
- (a) Define product mix optimality.
 - (b) Define the concept of Pareto optimality.
 - (c) What do you mean by technological deintegration ?
 - (d) Do you agree with the view that there is no technological limit to the size of a firm ?
 - (e) Define survival optimality of a firm.
 - (f) What is the interpretation of the Lagrangean multiplier in case of cost minimisation subject to output constraint.
 - (g) Define the concept of (market) failure of existence.
 - (h) What do you mean by 'take over' ?
 - (i) What do you mean by 'balance of processes' in the technology of a firm ?
 - (j) Explain the concept of technological optimality.

(Turn Over)

Group—B

Answer any *two* questions.

5×2

2. Show that pecuniary externality is a derived form of externality.
3. Show how market system fails in case of ownership externality.
4. Explain two major tools to raise the size of optimum managerial unit of a firm.
5. Explain the mechanisms that prohibit the factor owners from shirking in a classical firm.

Group—C

Answer any *two* questions.

10×2

6. Define 'team production'. Explain how the concept of 'team production' is used for the existence of 'firm'.
 7. Define an 'optimum firm'. Explain different factors determining the size of an 'optimum firm'.
 8. Explain in details the relation between different types of externality and different types of market failure.
 9. Explain the concept of the firm as a coalition group of conflicting goals. Discuss in this context the behavioural model of the firm, based on goal-setting.
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