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| **ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGLORE-27**  **SEMESTER EXAMINATION- APRIL-2019**  **M.A ECONOMICS-II SEMESTER**  **EC 8316: Institutional Economics**  **This question paper has ONE printed page and THREE parts**  **Time-2 Hrs 30 Minutes Max Marks-70** |

**Part A: Answer any TEN of the following 2X 10=20**

1. Distinguish between institutions and organizations with examples.
2. What are formal and informal institutions? Give an example of each.
3. Write two important assumptions of Neoclassical Economics which is relaxed in Institutional Economics.
4. State the core focus of new institutional economics.
5. Explain the concept of ‘Methodological individualism’.
6. Explain the term ‘Dominant Strategy’.
7. Differentiate between cooperative and non-cooperative game with example of each type.
8. Compare trust to opportunism with the help of an example.
9. How does the problem of externality arise?
10. What is meant by the concept of ‘Bounded Rationality’?
11. Why are group insurance schemes popular among health insurance companies?
12. Why corruption is also called rental income?

**Part B: Answer any TWO of the following 10X2=20**

1. Explain the theory of ‘Asymmetric Information’.
2. Why are private property rights important? Under which circumstances are shared property rights preferable?
3. Distinguish between cooperative and non-cooperative game with example of each type.

**Part C: Answer any TWO of the following 15X2=30**

1. Write an essay on the critique of Neo-classical economics presented by new institutional economics.
2. What is the ‘Principal-Agent Problem’ and how can it explain the problem of corruption?
3. Write an essay on how Douglas North connects individuals, markets, state, civil society to international institutions in the development process.

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