**ST.JOSEPH’S UNIVERSITY, BENGALURU -27**

**M.A Economics – II SEMESTER**

**SEMESTER EXAMINATION: APRIL 2023**

**(Examination conducted in May 2023)**

**EC 8322 : INSTITUTIONAL ECONOMICS**

**(For 2022-23 students)**

**Time: 2 Hours Max Marks: 50**

**This paper contains 1 printed page and 3 parts**

**PART-A**

1. **Answer any FIVE of the following (5 x 2=10 marks)**
2. Differentiate between formal and informal institutions.
3. What is asymmetric information?
4. What is market failure?
5. Mention the different types of transaction costs.
6. What do you mean by rent seeking behaviour?
7. List the five propositions about institutional change.
8. What is bounded rationality?

**PART-B**

1. **Answer any TWO of the following (2 x 5 =10 marks)**
2. Write a short note on functions of economic institutions.
3. Briefly explain the problems of ill-defined property rights.
4. Explain adverse selection using suitable examples.

**PART-C**

1. **Answer any TWO of the following (2 x 15 =30 marks)**
2. Explain principal-agent problem with special reference to corruption.
3. Discuss Hardin’s *tragedy of commons*.
4. Write a note on role of institutions in economic development.