

DO NOT REMOVE THE QUESTION PAPER FROM THE EXAMINATION HALL

UNIVERSITY OF LONDON

CENTRE FOR FINANCIAL AND MANAGEMENT STUDIES

*MSc Examination*  
*Postgraduate Diploma Examination*  
for External Students

91DFMC357

FINANCE (ECONOMIC POLICY)  
FINANCE (FINANCIAL SECTOR MANAGEMENT)  
FINANCE (QUANTATIVE FINANCE)

### **Microeconomic Principles and Policy**

#### *Specimen Examination*

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*This is a specimen examination paper designed to show you the type of examination you will have at the end of the year for the module **Microeconomic Principles and Policy**. The number of questions and the structure of the examination will be the same but the wording and the requirements of each question will be different. Best wishes for success in your final examination.*

The examination must be completed in **THREE** hours.

Answer **THREE** questions, selecting *at least* **ONE** question from **Section A** and **ONE** from **Section B**.

The examiners give equal weight to each question; therefore, you are advised to distribute your time approximately equally between three questions.

**PLEASE TURN OVER**

Answer **THREE** questions, at least **ONE** from **EACH** section.

### **Section A**

*Answer at least ONE question from this section.*

1. 'The neoclassical approach provides a relatively simple and elegant model of how consumers make choices, but it does so under some fairly restrictive assumptions'.  
Critically assess this statement.
2. Explain how the behavioural approach to consumer theory can be used to design public policy.
3. Discuss the main measures used to evaluate the competitiveness of markets.
4. Explain how game theory is used as an analytical tool by economists.

### **Section B**

*Answer at least ONE question from this section.*

5. Discuss alternative theories of firms' motivations and their implications for corporate behaviour.
6. Explain how globalisation has influenced the way that businesses have grown.
7. Discuss why governments might intervene in the economy.
8. Discuss the theoretical approaches available for analysing the markets for two of the factors of production.

**[END OF EXAMINATION]**