

OLLSCOIL NA hEIREANN, GAILLIMH
THE NATIONAL UNIVERSITY OF IRELAND, GALWAY

SUMMER EXAMINATIONS 2001

MASTERS IN INFORMATION TECHNOLOGY – EC507
(Irish Management Institute)

SECOND YEAR ECONOMICS

Professor Huw Dixon
Professor M.P. Cuddy
Mr. Kevin Hannigan

Please answer 4 QUESTIONS

Time Allowed: 2 HOURS

All questions carry equal marks

1. Explain what is meant by elasticity of demand and suggest why a measure of elasticity might be useful to
 - (a) A monopolist producer
 - (b) The Minister for Finance
2. Set out the assumptions underlying perfect competition and explain – using diagrams where appropriate – the process through which equilibrium is reached in a perfectly competitive market.
3. Outline the economic arguments for and against the proposition that market power reduces welfare in the economy.
4. Many would contend that individuals are seldom capable of making fully rational decisions, irrespective of how much information they have at their disposal. If this is the case, why might it be a problem for economic analysis?
5. Write notes explaining **THREE** of the following with reference to Ireland
 - (a) GDP and GNP
 - (b) Inflation
 - (c) Competition policy
 - (d) The labour market
6. The system of social partnership has been credited with playing a major role in the Irish economic boom of the past decade. But has this system now outlived its usefulness?

7. Explain what is meant by a supply-side approach to economic management and indicate why it is appropriate to adopt this approach in Ireland.
8. To what extent does Ireland's trade and industrial structure mean that it is at the mercy of global economic forces and incapable of determining its economic performance?