

**B.A EXAMINATION, 2025**  
**ECONOMICS**  
**2nd Year, 2nd Semester**  
**Subject Code : ECO/B/SE 4.2 (OLD)**  
**GENERAL EQUILIBRIUM THEORY**

**Time : Two Hours**

**Full Marks : 30**

1. Define the exchange economy. Show that every competitive equilibrium allocation of an exchange economy is Pareto Efficient. [5+10]
2. Define the core of an exchange economy. Show that every competitive equilibrium allocation of an exchange economy is in the core of the economy. [5+10]

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