

D 93142

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Name.....

Reg. No.....

**FIRST SEMESTER M.A. DEGREE (SUPPLEMENTARY) EXAMINATION
NOVEMBER 2020**

(CUCSS)

Economics

EC 01 C01—MICRO ECONOMICS : THEORY AND APPLICATIONS—I

(2015 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer all questions.

Each question carries $\frac{1}{4}$ weightage.

1. Limit pricing was developed by _____.
(a) Bain. (b) Arrow.
(c) Kaldor. (d) None.
2. Transformation curve is called _____.
(a) PPC. (b) Isoquant.
(c) Iso revenue. (d) None.
3. The oligopoly situation where the new firms are not allowed to enter the industry is called _____.
(a) Barriers to entry. (b) Economies of scale.
(c) Product differentiation. (d) None.
4. Oligopoly theory, entry prevention and growth by :
(a) SylosLabini. (b) Modigliani.
(c) JBhagawati. (d) K.C.Panth.
5. In a constant sum game one player's gain is always another players :
(a) Loss. (b) Gain.
(c) Minimum gain. (d) Maximum gain.

Turn over

6. The N. M utility theory is :
- (a) Cardinal. (b) Ordinal.
(c) Behaviourist cardinal. (d) Behaviourist ordinal.
7. An extreme case of oligopoly is :
- (a) Duopoly. (b) Duopsony.
(c) Monopolistic competition. (d) Pure competition.
8. Nash equilibrium is related to :
- (a) Cost. (b) Production.
(c) Game. (d) None.
9. Difficulties encountered in entering an industry are often referred as :
- (a) Monopoly. (b) Entry barriers.
(c) Limit barriers. (d) Patent.
10. In the case of CD production function, out put elasticity of an input is :
- (a) Constant. (b) Unity.
(c) A function of all the inputs. (d) Indeterminate.
11. Localization means :
- (a) Territorial division of labour.
(b) Concentration of industry in a particular area.
(c) Specialization by areas or regions.
(d) All the above
12. In Bernoulli's view, the marginal utility of money diminishes as _____.
- (a) Money income increases.
(b) Money income decreases.
(c) Both.
(d) None.

Part B

*Answer any five questions.
Each question carries 1 weightage.*

13. Short run cost function.
14. Explain risk averter.
15. Prisoners dilemma.
16. Elasticity of factor substitution.
17. Kinked demand curve.
18. Explicit cost.
19. External economies.
20. Veblen effect.

(5 × 1 = 5 weightage)

Part C

*Answer any eight questions.
Each question carries 2 weightage.*

21. Attribute theory of demand.
22. Differentiate pure strategy and fixed strategy.
23. Explain Marris growth model.
24. Explain Friedman-Savage hypothesis.
25. Explain the merits and demerits of CES production function.
26. Discuss homogeneous production function.
27. Discuss Long run cost function.
28. Discuss Barometric price leadership.
29. Explain Sylos-Labini limit pricing model.
30. Explain the relationship between technical progress and production function.
31. Explain Subsistence income and super numeracy.

(8 × 2 = 16 weightage)

Turn over

Part D

*Answer any **three** questions.
Each question carries 4 weightage.*

32. Explain the state preference theory.
33. Explain Williamson managerial discretion theory.
34. Explain Bain's limit pricing model.
35. Explain the logical base of the theory of demand and choice under uncertainty.
36. Critically evaluate the forms of cartel.

(3 × 4 = 12 weightage)