

D 72818

(Pages : 2)

Name.....

Reg. No.....

**FIRST SEMESTER M.A./M.Sc./M.Com. DEGREE EXAMINATION
DECEMBER 2019**

(CBCSS)

Economics

ECO 1C 01—MICRO ECONOMICS : THEORY AND APPLICATIONS—I

(2019 Admissions)

Time : Three Hours

Maximum : 30 Weightage

Part A (Short Answer Type)

Answer any four out of seven questions.

Each carries 2 weightage.

1. What is Cobb-Douglas production function ?
2. Distinguish between short run and long run production function.
3. Define Collusion.
4. What is Insurance ?
5. What do you mean by Snob effect ?
6. Define the term 'economies of scope'.
7. What do you mean by sequential game ?

(4 × 2 = 8 weightage)

Part B (Short Essay Type)

Answer any four out of seven questions.

Each carries 3 weightage.

8. How does prisoner's dilemma in game theory employ Nash equilibrium ?
9. Briefly explain von Neumann-Morgenstern utility theory.
10. "The demand curve facing an oligopolists has a kink at the level of the prevailing price". Explain.
11. How price of a firm is determined in an industry using price leadership model ?
12. Define CES production function. State its properties.

Turn over

13. Explain technological progress and production function.
14. Discuss briefly Linear expenditure system.

(4 × 3 = 12 weightage)

Part C (Essay Type)

Answer any two out of four questions.

Each carries 5 weightage.

15. Explain various attitudes towards risk based on expected utility theory.
16. Elucidate Cournot's duopoly model.
17. Show that the existence of the dominant strategy equilibrium implies existence of a Nash Equilibrium.
18. Critically examine Houthakker and Taylor dynamic demand functions.

(2 × 5 = 10 weightage)