

FIRST SEMESTER M.A. DEGREE EXAMINATION, DECEMBER 2017

(CUCSS)

Economics

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

(2015 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A*Answer all questions.*

1. Value and Capital was written by :
 - (a) Leibenstein.
 - (b) Veblen.
 - (c) Hicks.
 - (d) Allen.
2. Friedman-Sawage hypothesis attempts to explain the shape of the curve of :
 - (a) Marginal utility of products.
 - (b) Marginal utility of income.
 - (c) Elasticity of price.
 - (d) None.
3. Which type of isoquant assumes perfect substitutability of factors of production :
 - (a) Linear isoquant.
 - (b) Input output isoquant.
 - (c) Kinked isoquant.
 - (d) Convex isoquant
4. If the $MRTS_{LK} = 2$ then the MPK/MPL is :
 - (a) 2.
 - (b) 1.
 - (c) $\frac{1}{2}$.
 - (d) 4.
5. The vertical distance between TVC and TC is equal to :
 - (a) MC.
 - (b) AVC.
 - (c) TFC.
 - (d) None.

6. Monopsony market has :
- (a) One seller. (b) One buyer and seller.
(c) One buyer. (d) One buyer and two seller.
7. Price discrimination will lead to :
- (a) Increase in output. (b) Decrease in output.
(c) No change in output. (d) None.
8. What is the market situation where the firms combine together to fix the price and output of the industry ?
- (a) Collusive oligopoly. (b) Non collusive oligopoly.
(c) Open oligopoly. (d) Closed oligopoly.
9. The variables which determine the job security to the managers are :
- (a) Financial variables. (b) Managerial variables.
(c) Utility of managers. (d) None
10. In a constant sum game one player's gain is always another players :
- (a) Loss. (b) Gain.
(c) Minimum gain. (d) Maximum gain.
11. Condition of entry is :
- (a) $E = PL - PC/PC$. (b) $PL = PC (1 + E)$.
(c) $PL = PC (1 + q/Qc.e)$ (d) None.
12. 'Oligopoly theory, entry prevention and growth' by :
- (a) Sylos Labini. (b) Modigliani.
(c) J.Bhagwati. (d) K.C.Panth.

(12 × ¼ = 3 weightage)

Part B*Answer any five questions.*

13. Measures of risk.
14. Distributed lag models of demand.

15. Fixed proportion production function.
16. Short run cost function.
17. Learning curve.
18. Non collusive oligopoly.
19. Bertrand model of oligopoly.
20. Saddle point theorem.

(5 × 1 = 5 weightage)

Part C

Answer any eight questions.

21. Stackelberg duopoly model.
22. Types of game.
23. Limit pricing model by Franco Modigliani.
24. Balanced growth model.
25. Barometric price leadership.
26. Bernoulli hypothesis.
27. Risk pooling and risk spreading.
28. Attribute theory of demand.
29. Linear Expenditure system.
30. Differentiate pure strategy and mixed strategy.
31. Prove in constant elasticity of demand function price elasticity of demand is constant.

(8 × 2 = 16 weightage)

Part D

Answer any three questions.

32. Critically evaluate sales revenue maximisation model.
33. Derive Houthakkers and Taylors model.
34. Discuss the types of cartel.
35. Discuss the five features of Cobb Douglas production function.
36. Explain state preference theory.

(3 × 4 = 12 weightage)