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Name.............................

Reg. No.............................

FIRST SEMESTER M.A. (CBCSS) (REGULAR/SUPPLEMENTARY) DEGREE EXAMINATION, NOVEMBER 2022

Economics

ECO1C01—MICRO ECONOMICS : THEORY AND APPLICATIONS—I

(2019 Admission onwards)

Time : Three Hours

Maximum Weightage : 30

Part A

Answer all questions.
Each bunch of 5 questions carries a weightage 1.

Multiple choices :

1. Theory of game was developed by ————.
   - (a) Neuman and Morgenstern.
   - (b) Arrow.
   - (c) Kaldord.
   - (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) Sylos Labini.
   - (b) Modigliani.
   - (c) J. Bhagawati.
   - (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.

6. The N.M. utility theory is :
   - (a) Cardinal.
   - (b) Ordinal.
   - (c) Behaviourist cardinal.
   - (d) Behaviourist ordinal.

Turn over

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, output 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.

13. Oligopoly characterized by :

    (a) Two sellers.   (b) One seller.

    (c) Few seller.   (d) Few buyers.

14. All the following curves are U shaped except :

    (a) AVC.   (b) AFC.

    (c) MC.   (d) AC.

15. Games in which the gain of one player equals the loss of other are called :

    (a) Zero sum game.   (b) Non-zero sum game.

    (c) Prisoners dilemma.   (d) Pure strategy.

$(15 \times 1/5 = 3 \text{ weightage})$

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Part B (Very Short Answer Questions)

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

16. Externality.

17. Explain risk spreading.

18. Prisoners dilemma.

19. Elasticity of factor substitution.

20. Kinked demand curve.

21. Explicit cost.

22. Nash equilibrium.

23. Veblen effect.

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

Answer any **seven** *questions.*
Each question carries a weightage of 2.

24. Attribute theory of demand.

25. Differentiate pure strategy and fixed strategy.

26. Explain constant elasticity of demand function.

27. Explain Friedman-Savage hypothesis.

28. Explain the merits and demerits of CES production function.

29. Discuss homogeneous production function.

30. Discuss Long run cost function.

31. Discuss Barometric price leadership.

32. Explain learning curve.

33. Explain the relationship between technical progress and production function.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any **two** *questions.*
Each question carries a weightage of 4.

34. Explain the state preference theory.

35. Explain Markowitz hypothesis.

36. Explain the logical base of the theory of demand and choice under uncertainty.

37. Critically evaluate the forms of cartel.

(2 × 4 = 8 weightage)