

D 53894

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Name.....

Reg. No.....

**FIRST SEMESTER P.G. DEGREE EXAMINATION
NOVEMBER 2023**

(CCSS)

Economics

ECO 1C 01—MICRO ECONOMIC THEORY AND POLICY—I

(2022 Admissions)

Time : Three Hours

Maximum : 50 Marks

Part A (Multiple Choice Questions)

*Answer all questions.**Each question carries 1 mark.*

1. 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.
2. Duopoly is a market situation which is characterised by the existence of _____.
 - a) Only one seller.
 - b) Two seller.
 - c) Few sellers.
 - d) None.
3. CES production function was developed by _____.
 - a) Arrow.
 - b) Cobb.
 - c) Douglas.
 - d) None.
4. Elasticity of factor substitution means _____.
 - a) Substitutability between factors.
 - b) Demand.
 - c) Price.
 - d) None.

Turn over

5. Indifference curve is _____.

- a) Convex.
- b) Concave.
- c) U shape.
- d) None.

(5 × 1 = 5 marks)

Part B (Very Short Answer Questions)

*Answer in one **or** two sentences each.*

*Answer any **five** questions.*

Each question carries 1 mark.

- 6. Bandwagon effect.
- 7. Learning curve.
- 8. Types of cost.
- 9. Linear homogeneous production function.
- 10. Capital deepening technical progress.
- 11. Nash equilibrium.
- 12. Nudging the market.
- 13. Uncertainty.

(5 × 1 = 5 marks)

Part C (Short Answer Questions)

*Answer any **six** questions.*

Each question carries 4 marks.

- 14. Explain attribute theory of demand.
- 15. Derive Houthakker and Taylor model.
- 16. Explain Bertrand model.
- 17. Explain the features of oligopoly.
- 18. Explain translog production function.
- 19. Explain short run cost function.
- 20. Explain Sweezy's kinked demand model.

21. Explain the forms of price leadership.
22. Explain limits to human decision making.

(6 × 4 = 24 marks)

Part D (Essay Type Questions)

*Answer any **two** questions.
Each question carries 8 marks.*

23. Discuss Cournot duopoly model.
24. Derive Linear Expenditure System.
25. Discuss the features of CES production function.
26. Discuss Bains limit pricing model.

(2 × 8 = 16 marks)