

FIRST SEMESTER M.A. DEGREE EXAMINATION DECEMBER 2016

(CCSS)

Economics

ECO 1C 01—MICRO ECONOMIC THEORY AND POLICY

(2013 Admissions)

Maximum : 80 Marks

Time : Three Hours

Part A (Objective Type Questions)

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

1. A locus of all the technically efficient methods for producing a given level of output is :
 - (a) Indifference Curve.
 - (b) Isocost line.
 - (c) Isorevenue Curve.
 - (d) Isoquant.
2. Change in output resulting from a change of a factor, keeping all other factors constant is :
 - (a) Marginal Product.
 - (b) Average Product.
 - (c) Total Product.
 - (d) Total Physical Product.
3. Slope of the Isoquant is :
 - (a) Rate of Product Transformation.
 - (b) Rate of Technical Substitution.
 - (c) Elasticity of Substitution.
 - (d) Rate of Efficient Substitution.
4. Basic assumption of Cardinal Utility Theory :
 - (a) Rationality.
 - (b) Constant Marginal Utility of Money.
 - (c) Diminishing Marginal Utility.
 - (d) All of the above.
5. The book 'Value and Capital' is written by:
 - (a) J.Johnson.
 - (b) H.Chenery.
 - (c) J.Hicks.
 - (d) M.Friedman.
6. Cournot's Model leads to a :
 - (a) Stable Equilibrium.
 - (b) Flexible Equilibrium.
 - (c) Unstable Equilibrium.
 - (d) None of the above.

Turn over

7. Aims of Cartels :
- (a) Joint-profit maximization
 - (b) Sharing of the market.
 - (c) All of the Above.
 - (d) None of the above.
8. Economies of Scale are distinguished into:
- (a) Real and Pecuniary Economies of Scale.
 - (b) Real and Nominal Economies of Scale.
 - (c) Absolute and Relative Economies of Scale.
 - (d) Real and Absolute Economies of Scale.
9. In the Production Function $Y = f(L, K, R, S, v, y)$, 's' is :
- (a) Efficiency Parameter.
 - (b) Land.
 - (c) Returns to scale.
 - (d) Returns to Factor.
10. Along the Product Line the K/L ratio :
- (a) Diminishes.
 - (b) Constant.
 - (c) Increases.
 - (d) None of the above.

(10 × 1 = 10 marks)

Part B

Answer any **eight** questions of the following.

Each question carries 5 marks.

Answer need not more than 100 words each.

11. Differentiate between Risk Pooling and Risk Spreading.
12. Which are the different types of Technical Progress ?
13. Explain Cobb-Douglas Production Function.
14. Write a note on Sylos- Labini's Limit Pricing Model.
15. Distinguish between Short run and Long run Production Function.
16. Explain Chamberlin's Oligopoly Model.
17. Explain the Barometric Price Leadership.
18. What are the Fixed and Variable costs of a Firm ?
19. Write a note on Collusive Oligopoly.
20. Differentiate between the terms Risk-Pooling and Risk Spreading.

21. Write a note on Law of Variable Proportion.
22. Bring out the major characteristics of Oligopoly Market Situation.

(8 × 5 = 40 marks)

Part C

Attempt any two questions.

Each question carries 15 marks.

Answer need not more 500 words each.

23. Explain the major concepts in the Theory of Cost.
24. Discuss the Limit Pricing Models of Bain and. Sylos-Labini.
25. What is Technical Progress ? Explain the different types of Technical Progress.
26. Explain the two important Laws of Production.

(2 × 15 = 30 marks)