

33083

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Name.....

Reg. No.....

FIRST SEMESTER P.G. DEGREE EXAMINATION, DECEMBER 2017

(CCSS)

Economics

ECO 1C 01—MICRO ECONOMIC THEORY AND POLICY

(2013 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A

Attempt all questions.

Each question carries 1 mark.

A. Objective Type Questions :

- 1 In the Production Function $Y = f(L, K, R, S, v, y)$, 'y' is :
 - (a) Efficiency Parameter.
 - (b) Land.
 - (c) Returns to scale.
 - (d) Returns to Factor.
- 2 The U shaped AVC and ATC reflects :
 - (a) Law of Fixed Proportion.
 - (b) Law of Variable Proportion.
 - (c) Law of Returns to Scale.
 - (d) Law of Increasing Returns.
- 3 The book 'Value and Capital' is written by :
 - (a) J. Johnson.
 - (b) H. Chenery.
 - (c) J. Hicks.
 - (d) M. Friedman.
- 4 Oligopoly is a market situation where there exist :
 - (a) Few sellers.
 - (b) A large number of buyers and sellers.
 - (c) One seller.
 - (d) Fairly large number of buyers and sellers.
- 5 The Slope of the Isorevenue curve is :
 - (a) P_x/P_y .
 - (b) P_y/P_x .
 - (c) $P_x \times P_y$.
 - (d) $P(x/y)$.

Turn over

6 Kinked Isoquant assumes :

- (a) Perfect substitutability of factors of production.
- (b) Perfect Complementarity of factors of production.
- (c) Limited substitutability of factors of production.
- (d) Limited Complementarity of factors of production.

7 Which among is not the tool of Ordinal Utility :

- (a) Indifference curve.
- (b) Marginal Rate of Substitution.
- (c) Budget Line.
- (d) Price elasticity of Demand.

8 Cost that has already been incurred and thus cannot be recovered :

- (a) Selling Cost.
- (b) Sunk Cost.
- (c) Transaction Cost.
- (d) Market Cost.

9 CES Production Function is based on :

- (a) Diminishing Returns to Scale.
- (b) Increasing Returns to Scale.
- (c) Constant Returns to Scale.
- (d) Variable Returns to Scale.

10 The Book 'Principles of Micro Economics' is written by :

- (a) Gregory. N. Mankiw.
- (b) Hal. N. Varian.
- (c) Geoffrey A. Jehle.
- (d) Philip J. Reny.

(10 × 1 = 10 marks)

Part B

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

Answer need not more than 100 words each.

Each question carries 5 marks.

11 What is Oligopoly ?

12 What is Nash Equilibrium.

13 Write a note Friedman-Savage Hypothesis.

14 Write a note on Neutral Technical Progress.

15 Explain the Envelope Curve.

16 Explain how Equilibrium can be achieved in a Multiproduct Firm.

- 17 Give an outline of Bain's Limit Pricing Model.
- 18 Write a note on Neumann-morgenstern Hypothesis.
- 19 Write a short on Law of Returns to Scale.
- 20 Write a note on the Production-Possibility curve of a Firm.
- 21 Distinguish between Labour-Deepening and Capital-Deepening Technical Progress.
- 22 What is St. Petersburg Paradox ?

(8 × 5 = 40 marks)

Part C

*Attempt any two questions.
Answers need not more 500 words each.
Each question carries 15 marks.*

- 23 Briefly explain the Non-Collusive Oligopoly Models.
- 24 Explain briefly the major types of Production Function.
- 25 Discuss the Limit Pricing Models of Sylos-Labini and Franco Modigliani.
- 26 Examine the Recent Developments in Demand Theory.

(2 × 15 = 30 marks)