D 13379 (Pages : 3) Name.......................................

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

FIRST SEMESTER M.A. DEGREE EXAMINATION, DECEMBER 2016

(CUCSS)

Economics

EC 01 C01—MICROECONOMICS : THEORY AND APPLICATIONS–I

(2015 Admissions)

Time : Three Hours Maximum : 36 Weightage

Part A

Answer **all** *questions.*

1. Ordinal measure of utility is required in :
   - (a) Revealed preference.
   - (b) Utility.
   - (c) Indifference curve.
   - (d) None.
2. St.Petersburg paradox was formulated by :
   - (a) Hicks.
   - (b) Samuelson.
   - (c) Bernoulli.
   - (d) Neumann.
3. The factor intensity is the ———.
   - (a) Capital-labour ratio.
   - (b) Technological progress.
   - (c) Elasticity of factors.
   - (d) Marginal product of factors.
4. The CES production function exhibits :
   - (a) Increasing return to scale.
   - (b) Constant return to scale.
   - (c) decreasing return to scale.
   - (d) None.
5. Average fixed cost can be obtained through :
   - (a) AFC = TFC/TC.
   - (b) AFC = TFC/MC.
   - (c) AFC = TC + TVC.
   - (d) AFC = MC + TVC.
6. Duopsony is a market situation which is characterised by the existence of :
   - (a) One buyer.
   - (b) Two buyers.
   - (c) Three buyers four buyers.
   - (d) None.

7. Who wrote the famous book, Economics of imperfect competition ?

   (a) A.C.Pigou. (b) Chamberlin.

   (c) Roabinson. (d) Marx.

8. What is the market situation where there is no leader and no follower ?

   (a) Partial oligopoly. (b) Full oligopoly.

   (c) Open oligopoly. (d) Collusive oligopoly.

9. A full fledged managerial theory of the firm has been put forward by :

   (a) Williamson. (b) Marris.

   (c) Cyert. (d) None.

10. If the two firms can sign a binding contract to share the profits between them from the production and sales, the game is called :

    (a) Economic game. (b) Co-operative game.

    (c) Dominant strategy. (d) None.

11. Limit price is called :

    (a) Entry preventing price. (b) Potential entry of firm.

    (c) Actual entry of firm. (d) None.

12. An important game model that has significant implications for the behaviour of the oligopolists is popularly known as :

    (a) Instability of cartel. (b) Saddle point.

    (c) Prisoners dilemma. (d) All.

(12 × ¼ = 3 weightage)

Part B

Answer any **five** *questions.*

13. Risk lover.
14. Snob effect.
15. Linearly homogeneous production function.
16. Short run cost function.
17. Cartel.
18. Co-operative game.

19. Economies of scale.

20. Limit pricing model by Jagadish Bhagwati.

(5 × 1 = 5 weightage)

Part C

Answer any **eight** *questions.*

21. Friedman Sawage hypothesis.

22. Characteristic theory of demand.

23. CES production function.

24. Habitat creation principle.

25. Modern theory of cost.

26. Chamberlin model of oligopoly.

27. Types of price leadership.

28. Features of game.

29. Sylos labini model of limit pricing.

30. Household portfolio decision under risk.

31. Harrodian approach to technical progress.

(8 × 2 = 16 weightage)

Part D

Answer any **three** *questions.*

32. Marris model of balanced growth.

33. Collusive models of oligopoly.

34. Significance of game theory in economic analysis.

35. Merits and demerits of Cobb Douglas production function over CES production function.

36. Pragmatic approach to demand analysis.

(3 × 4 = 12 weightage)