

D 93159

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Name

Reg. No.

FIRST SEMESTER M.A. DEGREE EXAMINATION, DECEMBER 2015

(CUCSS)

Applied Economics

Paper I--MICROECONOMIC THEORY

Time : Three Hours

Maximum : 36 Weightage

Part A

*Answer **all** questions.*

Each bunch of 4 questions carries weightage 1.

(A) Multiple choice :

1 Who argued that social welfare should be non-dictatorial ?

- | | |
|-------------|--------------|
| (a) Pareto. | (b) Kaldor. |
| (c) Arrow. | (d) Bentham. |

2 The organic composition of capital is given by :

- | | |
|-----------------|-----------------|
| (a) $s/c + v$. | (b) c/v . |
| (c) $c/c + v$. | (d) $c/s + v$. |

3 The sales revenue maximization was developed by :

- | | |
|-------------|----------------|
| (a) Marris. | (b) Baumol. |
| (c) Sweezy. | (d) Edgeworth. |

4 Cigarette smoking is an example for :

- (a) Positive production externality.
- (b) Negative production externality.
- (c) Negative consumption externality.
- (d) Positive consumption externality.

(B) Multiple choice questions :

5 Traditional cost curves are U shaped due to :

- | | |
|-----------------------|----------------------------------|
| (a) Reserve capacity. | (b) Excess capacity. |
| (c) Laws of returns. | (d) Law of variable proportions. |

6 The logical ordering theory was developed by :

- | | |
|--------------|--------------------|
| (a) Akerlof. | (b) Richard Stone. |
| (c) Hicks. | (d) Allen. |

Turn over

7 Interdependence among firms is a crucial feature of :

- (a) Monopsony. (b) Monopolistic competition.
(c) Oligopoly. (d) Bilateral monopoly.

8 The cost curve that is also known as envelope curve is :

- (a) LMC. (b) SAC.
(c) MC. (d) LAC.

(C) Fill in the blanks :

9 The concept of group equilibrium was developed by _____

10 Bertrand model assumes zero conjectural variation of _____

11 The greatest happiness of the greatest number was the dictum developed by _____

12 Cobb-Douglas production function assumes _____ returns of scale.

(D) State True or False :

13 The Upward shift of production function implies technical progress.

14 In labour deepening technical progress marginal product of labour increases faster than marginal product of capital.

15 There is no unique supply curve for a monopolist.

16 Chamberlin's duopoly model is also called small group model.

(4 x 1 = 4 weightage)

Part B

Answer any ten questions.

Each question carries a weight of 2.

17 Explain the distributed lagged demand model.

18 Discuss the properties of CES production function.

19 Explain the Stackleberg model of duopoly.

20 What do you mean by Barometric price leadership ?

21 Discuss the features of input output analysis.

22 What do you mean by Euler's theorem ?

23 What do you mean by surrogate production function ?

24 Discuss the Marxian theory of distribution.

25 State the Martkovitz hypothesis.

26 Discuss the theory of second best.

27 Mention the main ideas of Hall-Hitch report.

28 Explain the features of price leadership of dominant firm.

(10 x 2 = 20 weightage)

Part C (Essay Questions)

*Answer any three of the following.
Each question carries four weightage 4.*

29 Explain the neo-Keynesian theory of distribution and extension provided to it.

30 Describe the various criterion of social welfare.

31 Explain the managerial discretion model of Williamson.

32 Bring out the structure of LPP.

33 Explain the theories explaining utility under risk.

(3 x 4 = 12 weightage)