MA DEGREE END SEMESTER EXAMINATION – NOVEMBER 2015

SEMESTER: 1, SUBJECT - ECONOMICS

COURSE: P1ECOT01 – MICROECONOMICS: THEORY OF CONSUMER BEHAVIOUR AND FIRM

(Regular, Supplementary / Improvement)

Time: Three Hours   Max. Marks: 75

Part A

Answer any *eight* of the following in three to four sentences. Each question carries two marks

1. What is meant by indirect utility function?

2. What do you meant by technical change?

3. Explain the St. Petersburg Paradox.

4. What is the reserve capacity?

5. Explain the concept Marginal Rate of Technical Substitution.

6. What is the production function of first degree?

7. Explain the Linear Expenditure System.

8. Explain the degree of Economies of Scope.

9. Define production function.

10. Explain the point of inflection.

11. Explain the long run production function.

12. Weak ordering hypothesis.

(2 x 8 =16)

Part B (Short Essays)

Answer any *seven* of the following, not exceeding two pages each. Each question carries five marks

13. Examine the Bandwagon effect.

14. Explain time allocation model of Garry S Becker

15. Discuss the Markowitz hypothesis.

16. Examine the dynamic version of the demand theory.

17. Examine the characteristics model of Lancaster

18. Transaction cost approach of Williamson.

19. Explain the Cobb-Douglas Production Function.

20. Distinguish between Returns to Scale and Laws of Returns.

21. Distinguish between Capital deepening and Labour deepening technological progress

22. Engineering cost curves.   (5 x 7 =35)

Part C

Write long essay on any *two* of the following. Each question carries twelve marks

23. Evaluate the Neumann-Morgenstern utility theorem.

24. Discuss the modern approach to the theory of cost.

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25. Explain the logical weak ordering theory of demand.

26. Explain the theory of least cost combination of inputs? How it is useful in production decision making? (12 x 2 =24)