

Reg. No .....

Name .....

18P102

**M. A. DEGREE END SEMESTER EXAMINATION - NOVEMBER 2018**

**SEMESTER 1 : ECONOMICS**

**COURSE : 16P1ECOT01 : MICROECONOMIC THEORY - I**

*(For Regular - 2018 Admission & Supplementary - 2016 / 2017 Admission)*

Time : Three Hours

Max. Marks: 75

**Section A**

**Answer any 8 (2 marks each)**

1. Constant elasticity demand function
2. What is meant by indirect utility function?
3. Linear Expenditure System
4. What is duality in consumer behavior analysis?
5. Bernoullian hypothesis
6. Why does a utility maximizing consumer never gamble at fair odds?
7. What are different ways to avoid risk and uncertainty?
8. Describe homogenous production function
9. Engineering cost
10. Economies of scale and economies of scope
11. Property Rights.
12. Human capital specificity

**(2 x 8 = 16)**

**Section B**

**Answer any 7 (5 marks each)**

13. Examine the dynamic version of demand theory
14. Distinguish between Dual function and Primal function?
15. What is Veblen Effect? How it is different from Bandwagon effect
16. Analyze Friedman-Savage hypothesis.
17. Explain the case of risk aversion, risk loving and risk neutral in an expected utility framework.
18. Explain the graphical derivation of cost curves from the production function
19. Briefly discuss the properties of CES production function
20. Show the derivation of Planning curve?
21. How does the concept of "Team Production" leads to the emergence of the firm?
22. 'Bad goods drives out good quality goods'. Examine.

**(5 x 7 = 35)**

**Section C**

**Answer any 2 (12 marks each)**

23. Brief on the dynamic lagged models of consumer behaviour through Habit creation model and stock adjustment principle.
24. Critically examine the time allocation model of Gary Becker?
25. Using a hypothetical example, illustrate the Neumann-Morgenstern utility index
26. What are the differences between traditional and modern theory cost?

**(12 x 2 = 24)**