

Reg. No

Name

22P1003

M. A DEGREE END SEMESTER EXAMINATION : OCTOBER 2022

SEMESTER 1 : ECONOMICS

COURSE : 21P1ECOT01: MICROECONOMIC THEORY - I

(For Regular - 2022 Admission and Supplementary - 2021 Admission)

Duration : Three Hours

Max. Weights: 30

PART A

Answer any 8 questions

Weight: 1

1. Influence of lagged time on consumer behaviour. (A, CO 1)
 2. Linear Expenditure System (U)
 3. Distinguish between cardinal utility and ordinal utility functions (An, CO 1)
 4. Quasilinear preferences (An, CO 1)
 5. Expected value and expected utility in an expected utility framework (E, CO 2)
 6. Discuss the shape of total utility and marginal utility curves of money of a risk averter (An, CO 2)
 7. Markowitz hypothesis (E, CO 2)
 8. Draw the graph showing the Isocline of non-homogeneous production function (A, CO 3)
 9. What is learning curve? (U, CO 3)
 10. Define global rationality (U, CO 4)
- (1 x 8 = 8)**

PART B

Answer any 6 questions

Weights: 2

11. Distinguish between Dual function and Primal function? (E, CO 1)
 12. Discuss Roy's identity? (An, CO 1)
 13. Derive consumer's indirect utility function? (An, CO 1)
 14. Discuss St. Perersburg paradox? How did Bernoulli resolve it? (An, CO 2)
 15. Analyze Friedman-Savage hypothesis? (An, CO 2)
 16. Derive the slope of an isorevenue curve (A, CO 3)
 17. Analyse the different forms of technical change? (An, CO 3)
 18. Analyze how asset specificity influences the choice between firm and markets (An, CO 4)
- (2 x 6 = 12)**

PART C
Answer any 2 questions

Weights: 5

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| 19. | Discuss Hick's "Direct consistency test", Derive his demand theorem on this basis. | (E, CO 1) |
| 20. | Using a hypothetical example, illustrate the Neumann-Morgenstern utility index ? | (E, CO 2) |
| 21. | Analyse the Laws of returns. How returns to scale differs from returns to a factor? | (An, CO 3) |
| 22. | Evaluate the market failures caused by asymmetric information | (E, CO 4)
(5 x 2 = 10) |

OBE: Questions to Course Outcome Mapping

CO	Course Outcome Description	CL	Questions	Total Wt.
CO 1	The knowledge of consumer behaviour enables the student in taking rational buying decisions and also help a firm to design suitable marketing strategies	U	1, 3, 4, 11, 12, 13, 19	14
CO 2	Equip with the knowledge and skill in effective decision making under uncertain market situations, and also understands the importance of time allocation and household management	A	5, 6, 7, 14, 15, 20	12
CO 3	Develops the skill in analyzing business phenomena in terms of transaction cost saving.	E	8, 9, 16, 17, 21	11
CO 4	Discuss the economic level of information search possible under different situations and the concept of bounded rationality	An	10, 18, 22	8

Cognitive Level (CL): Cr - CREATE; E - EVALUATE; An - ANALYZE; A - APPLY; U - UNDERSTAND; R - REMEMBER;