

**M. A. DEGREE END SEMESTER EXAMINATION : NOVEMBER 2023****SEMESTER 1 : ECONOMICS****COURSE : 21P1ECOT01 : MICROECONOMIC THEORY - I***(For Regular - 2023 Admission and Improvement/Supplementary -2022/2021 Admissions)*

Duration : Three Hours

Max. Weights: 30

**PART A****Answer any 8 questions****Weight: 1**

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| 1. Linear Expenditure System   | (U)        |
| 2. Bounded rationality   | (E, CO 2)  |
| 3. What is the slope of the Iso-cost line?                             | (U, CO 3)  |
| 4. Homogenous function of degree zero                                  | (U, CO 1)  |
| 5. Influence of lagged time on consumer behaviour.                     | (A, CO 1)  |
| 6. Certainty equivalent  | (An, CO 2) |
| 7. Marginal indifference and marginal preferences                      | (An, CO 2) |
| 8. Time allocation Model.  | (E)        |
| 9. What is a VES production function?                                  | (U, CO 3)  |
| 10. Identify the differences in the approach of Williamson and Alchian | (U, CO 4)  |

**(1 x 8 = 8)****PART B****Answer any 6 questions****Weights: 2**

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|---|------------|
| 11. Analyse the various attitude towards risk using N-M utility index?            | (An, CO 2) |
| 12. Analyze the lemon problem citing examples                                     | (An, CO 4) |
| 13. Derive the slope of an isorevenue curve                                       | (A, CO 3)  |
| 14. Summarize homothetic preferences ?  | (U, CO 1)  |
| 15. Analyse the equilibrium of a multi-product firm                               | (An, CO 3) |
| 16. Summarize the revision of demand theory by Hicks                              | (E, CO 1)  |
| 17. Explain how choice under uncertainty is different from choice with certainty? | (An, CO 2) |
| 18. Explain Snob effect.  | (An)       |

**(2 x 6 = 12)****PART C****Answer any 2 questions****Weights: 5**

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|---|------------|
| 19. Analyse how technical progress changes production function  | (An, CO 3) |
| 20. Analyze Friedman-Savage hypothesis and contrast it with Markowitz hypothesis?   | (An, CO 1) |
| 21. Do you think that the traditional approach to demand analysis is pragmatic? In this context, explain the recent developments in the theory of market. | (An, CO 1) |
| 22. Evaluate the transaction cost approach to the emergence of the firm. Bring out its applicability  | (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	4, 5, 14, 16, 20, 21	16
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	2, 6, 7, 11, 17	7
CO 3	Develops the skill in analyzing business phenomena in terms of transaction cost saving.	E	3, 9, 13, 15, 19	11
CO 4	Discuss the economic level of information search possible under different situations and the concept of bounded rationality	An	10, 12, 22	8

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