M. A. DEGREE END SEMESTER EXAMINATION - NOVEMBER 2024

SEMESTER 1 : ECONOMICS

COURSE : **24P1ECOT01 : MICROECONOMIC THEORY - 1**

(For Regular - 2024 Admission)

Duration : Three Hours   Max. Weights: 30

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

1.	Identify the factors responsible for increasing returns to scale?	(U)
2.	What is information impactedness?	(U)
3.	What is meant by reserve capacity?	(R)
4.	Utility Function.	(An)
5.	Bernoullian hypothesis	(An)
6.	Explain positive and negative network externalities.	(An)
7.	What is signalling?	(U)
8.	What is asset specificity?	(R)
9.	Why does utility maximizing consumer never gamble at fair odds?	(E)
10.	Habit creation principle.	(An)

(1 x 8 = 8)

PART B
Answer any 6 questions   **Weights: 2**

11.	Explain Time allocation model of Garry S Becker?	(U)
12.	Explain the choice between insurance and gambling with different shapes of total utility curves?	(An)
13.	Explain the relationship between short run cost curves in the traditional cost theory.	(U)
14.	Evaluate the role of human attributes in causing transaction cost.	(E)
15.	State 'Characteristics demand theory' by Kelvin Lancaster.	(E)
16.	Show the estimation of insurance premium of a risk averter using N-M utility index.	(A)
17.	Derive the substitution elasticity of CES function.	(A)
18.	Suggest measures for limiting lemons.	(A)

(2 x 6 = 12)

PART C
Answer any 2 questions   **Weights: 5**

19.	Using a hypothetical example, illustrate the Neumann-Morgenstern utility index?	(E)
20.	Analyse how technical progress changes production function.	(An)
21	Analyse the team production approach to the emergence of the firm.	(An)
22.	Briefly explain the recent developments in the theory of market demand.	()

(5 x 2 = 10)

OBE: Questions to Course Outcome Mapping

CO	Course Outcome Description	CL	Questions	Total Wt.

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