

M. A. DEGREE END SEMESTER EXAMINATION - NOVEMBER 2025**SEMESTER 1 : ECONOMICS****COURSE : 24P1ECOT01 : MICROECONOMIC THEORY - 1***(For Regular - 2025 Admission and Improvement /Supplementary 2024 Admission)*

Time : Three Hours

Max. Weights: 30

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

1. How social environment influence transaction cost? (A)
2. Risk neutral (U)
3. What is an Iso-revenue curve? (U)
4. What is Asymmetric Information. (R)
5. What is meant by economies of scope? (U)
6. Positive and Negative Externalities. (R)
7. Linear Expenditure System (U)
8. N-M Utility index (An)
9. Expenditure function (U)
10. What is moral hazard? (U)

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

11. Analyze how asset specificity influences the choice between firm and markets (An)
12. Distinguish between Bandwagon and Snob effects. (U)
13. Summarize homothetic preferences ? (U)
14. Some companies give wages higher than going market wage. Why? (An)
15. Analyze St. Petersburg paradox. (An)
16. Analyse the major shortcomings of C-D function? (An)
17. Draw the graphs and analyse the different types of technical progress (An)
18. Why do an individual take insurance? Explain it in the framework of expected utility? (An)

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

19. Analyze Friedman-Savage hypothesis and contrast it with Markowitz hypothesis? (An)
20. Evaluate the properties of CES production function. Is it an improvement over C-D function? (E)
21. "Utility is derived from the characteristics of goods consumed" State the theoretical model which supports this statement. Discuss the superiority of this theory over traditional theory of demand. (E)

22. Evaluate the market failures caused by asymmetric information

(E)

(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;