(6 pages)

Reg. No. : ....

Code No. : 5256   Sub. Code : ZESM 11

M.A (CBCS) DEGREE EXAMINATION,
NOVEMBER 2022.

First Semester

Economics – Core

ADVANCED MICRO ECONOMIC THEORY – I

(For those who joined in July 2021 onwards)

Time : Three hours   Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The Linear Expenditure system was introduced by

    (a) Stone   (b) Stephen

    (c) Baumol   (d) Keynes

2. Revealed Preference theory assumes

    (a) Weak ordering   (b) Strong ordering

    (c) Multiple ordering (d) Constant ordering

3. In case of short-run production function the factor-ratio remains

    (a) Constant   (b) Variable

    (c) Either (a) or (b) (d) None of these

4. In CES production function, the elasticity of substitution is

    (a) Zero   (b) Constant

    (c) Unity   (d) Negative

5. The minimum price which can be bounded by product cost is also known as

    (a) Price floor   (b) Price fixation

    (c) Price ceiling   (d) Basic price

6. Which is an essential factor in the pricing policy?

    (a) Cost of a product

    (b) Product Differentiation

    (c) Product demand

    (d) Marketing Mix

7. Cartel is a form of

   (a) Trade Association

   (b) Chamber of Commerce

   (c) Federation

   (d) None of these

8. Which type of market is the stackelberg model?

   (a) Duopoly   (b) Monopoly

   (c) Oligopoly   (d) None of these

9. Which of the following is the first order conditions of Profit maximisation.

   (a) $AR = AC$ (b) $MR = MC$

   (c) $TR = TC$ (d) $MR = AR$

10. Contribution of margin is marginal costing is also known as

    (a) Gross profit   (b) Net profit

    (c) Average income   (d) Marginal income

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b), each answer should not exceed 250 words.

11. (a) Bring out the assumptions of Revealed Preference theory.

    Or

    (b) What is the conclusion of theory of demand?

12. (a) Examine the constant elasticity of demand model.

    Or

    (b) Explain the technical progress with a diagram.

13. (a) State the features of perfect competitive market.

    Or

    (b) Mention the features of Monopoly market.

14. (a) Explain Sweezy's kinked demand curve model of Oligopoly.

    Or

    (b) Explain Chamberlin's model of Duopoly.

15. (a) State the Andrew's version of cost-plus pricing.

Or

(b) Write a note on Embodied technical progress.

PART C — (5 × 8 = 40 marks)

Answer ALL questions by choosing either (a) or (b). Each answer should not exceed 600 words.

16. (a) Critically examine Linear Expenditure system.

Or

(b) Spell out the Lancaster's theory.

17. (a) Explain the C–D production function and its properties.

Or

(b) What is Technical Progress? Explain embodied and disembodied technical progress.

18. (a) How are price and output determined under perfectly competitive market?

Or

(b) Analyse the short-run and long-run equilibrium of a firm under monopolistic competition.

19. (a) Criticise Bertrand's duopoly model.

Or

(b) Narrate Chamberlin's Excess capacity.

20. (a) Elucidate Sylos-Labini model of limit pricing.

Or

(b) Explain Bain's limit pricing theory.

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