

FIRST SEMESTER M.A. DEGREE EXAMINATION, NOVEMBER 2025
(Regular/Improvement/Supplementary)

ECONOMICS
FECO1C01- MICROECONOMICS: THEORY AND APPLICATIONS I

Time: 3 Hours

Maximum Weightage: 30

Part A: Multiple choice questions. Answer *all* questions. Each carries $\frac{1}{5}$ weightage.

1. St. Peter's burg paradox was formulated by
a) Bernoulli b) Neumann c) Friedman d) None
2. In a constant sum game, one player's gain is always another player's
a) Loss b) Gain c) Minimum gain d) Maximum gain
3. Market situation in which only two buyers is called.....
a) Duopoly b) Monopoly c) Oligopoly d) Duopsony
4. Nash equilibrium is related to:
a) Cost b) Production c) Game d) consumption
5. Bernoulli states that the marginal utility of money diminishes as
a) Money income increases b) Money income decreases
c) Both d) None
6. OPEC is an example of:
a) Price leader b) Cartel
c) Bilateral Monopoly d) Monopsony
7. Concept of selling cost is related to
a) Chamberlin b) Sweezy c) Cournot d) Edgeworth
8. When return to scale increases the transformation curve would be.....
a) Convex b) Concave c) U shape d) L shape

(P.T.O.)

9. Transformation Curve is also called
- a) PPC b) Isoquant c) Iso revenue d) None
10. The opportunity cost of a factor of production with specific use is:
- a) Over high b) Infinite c) Zero d) Constant
11. Characteristics approach to demand analysis is developed by
- a) Marshall b) K. Lancaster c) Cournot d) Bernouli
12. The book "Value and Capital" is written by:
- a) J. Hicks b) M. Friedman c) Chenery d) J. Jhonson
13. Which among the following is not the tool of Ordinal utility?
- a) Indifference curve b) Budget Line
- c) Price elasticity of demand d) MRS
14. Each participant of the game is called
- a) Strategist b) Winner c) Player d) Loser
15. A matrix which shows the gains and losses resulting from the moves and counter moves is called
- a) cost matrix. b) pay off matrix c) gain matrix d) loss matrix

(15 × 1/5 = 3 weightage)

Part B: Answer any five questions. Each carries one weightage.

Write short notes on:

16. Uncertainty.
17. Linear homogenous production function.
18. Bandwagon effect.
19. Risk Premium.
20. Cooperative game.
21. Learning Curve.
22. Strategy.
23. Saddle point.

(5 × 1 = 5 weightage)

Part C: Answer any *seven* questions. Each carries *two* weightage.

24. Evaluate the different attitudes towards risk.
25. Discuss the characteristic approach to demand theory.
26. Explain Sweezy's price rigidity through kinked demand curve.
27. Elaborate on Markowitz Hypothesis.
28. Discuss the different forms of technical progress.
29. Explain two-person zero sum game.
30. Differentiate between Snob effect and Veblen Effect.
31. Describe Nerlove's dynamic demand function.
32. Elucidate different types of game.
33. Differentiate between short run and long run cost function.

(7 × 2 = 14 weightage)

Part D: Answer any *two* questions. Each carries *four* weightage.

34. Describe the properties of Cobb-Douglas production function.
35. Critically evaluate Friedman- Savage hypothesis.
36. Discuss the different types of duopoly models.
37. Critically evaluate Cournot duopoly model.

(2 × 4 =8 weightage)