

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
Sixth Semester BA Economics Degree Examination, March 2018
ECO6B12 – Mathematical Economics
(2015 Admission onwards)

Max. Time: 3 hours

Max. Marks: 80

Answers may be written either in English or in Malayalam

PART A

Answer all questions

Each question carries $\frac{1}{2}$ mark.

1. $\frac{AR}{AR-MR}$ gives the-----
 a)Elasticity of demand b)elasticity of cost c)Isorevenue line d)elasticity of supply
2. The cost per output is given by $C=3x+24$.then the marginal cost when $x=3$ is
 a) 24 b)3 c) 0 d)42
3. The process of finding relative maximum or minimum of a function is known as
 a)minimisation b)maximisation c) optimisation d)any of these
4. The first derivative measures the rate of change or -----of a function.
 a)concavity b)slope c) convexity d)intercept
5. The Cobb Douglas production function $Q=AL^{\alpha}K^{\beta}$ represents
 a)diminishing returns to scale b)constant returns to scale
 c) Increasing returns to scale d)None of the above
6. Linear programming deals with
 a)constraints b)Inequalities c) Objective function d) All the above
7. The best or optimum level of output for a perfectly competitive firm is given by the point
 a) $MR=MC$ b) $AR=MC$ c) $AC=MC$ d) All the above
8. For a utility function $u=xy + 3x + 4y$,marginal utility of good x is---
 a) $xy+3x+4y$ b) $y+3$ c) $x+4$ d) $y+3x$
9. -----is a simplified representation of a real situation
 a)An economic model b)An assumption c)A hypothesis d)None of these
10. Find MRS_{xy} for the function $U=3x+y$
 a) 3 b)1 c) 2 d)0
11. When the total revenue function is $R=100-x^2$,the MR is
 a) $100-2x$ b)100 c) $-2x$ d) $-x^2$
12. In linear programming ,the dual of maximisation is equal to
 a)minimisation b)shadow pricing c)maximisation d)None of these.

(12x $\frac{1}{2}$ =6marks.)

PART B (Very Short Answer Questions)

Answer any ten questions.

Each question carries 2 marks.

13. Find elasticity of demand of a commodity when AR is 20 and MR is 10.
14. What is an economic model?
15. Given a consumption function $C=60+.2y_d$ what is autonomous consumption, value of MPC and MPS?
16. Given a total utility function $u=x^2y+4x+y^2$. find marginal utility?
17. Define Homogenous production function.
18. Define a function
19. Marginal Rate of Substitution.
20. Price elasticity of Demand.
21. Find the marginal revenue function given the average revenue function, $AR=30-3q$.
22. Difference between primal and Dual problem in Linear programming.
23. Define Input-output analysis.
24. Define Equilibrium price.

(10x2=20marks.)

PART C (Short Essay Questions)

Answer any six questions.

Each question carries 5 marks.

25. Find the marginal revenue function associated with the demand function $=8Q^{3/2} - 2Q^2 + 5Q + 8$
26. What is the Input-Output analysis. Explain the Leontief open model.?
27. The production function of a firm using three inputs K, L and z is given. Compute marginal productivity of each of the factors. $Q=5K^3+4K^2Lz-l^3+z^2$.
28. Given a demand function $q=-3p+50$. find price elasticity of demand when a) $P=3$, b) $P=12$.

30. Explain mathematical representation of Economic Model?
31. Calculate technology matrix for the following input-output table.

	S1	S2	S3	Final Demand	Total O/P
S1	50	25	25	100	200
S2	40	50	10	200	300
S3	100	50	150	300	600

32. Optimise the function $f(x, y)=x y$ subject to the constraint $x^2+y^2=8$

(6x5=30 marks)

PART D(Essay questions)

Answer any two questions.

Each question carries 12 marks.

3. Explain cobb-Douglas production function and its properties.
4. Maximise $Z=20x_1+30x_2$ (solve graphically)
Subject to
 $3x_1+2x_2\leq 60$
 $2x_1+5x_2\leq 100$
 $x_1, x_2\geq 0$
5. A firm sells two products X and Y in related markets with demand functions given by
 $P_x-13+2x+y=0$ and $P_y-13+x+2y=0$
If $TC=x+y$, find the price and output for each good which will maximise profits.
6. What is an economic function? State and explain the important functions involving economic variables.

(2x12=24 marks.)

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Reg. No:.....

Name:

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
Sixth Semester BA Economics Degree Examination, March 2018
ECO6B13 – Public Finance
 (2015 Admission onwards)

Max. Time: 3 hours

Max. Marks: 80

PART A**Answer All Questions. Each question carries ½ marks****Multiple choice questions**

Deficit Financing is related to:

- | | |
|--------------------|-------------------|
| a) Monetary policy | b) Fiscal Policy |
| c) Trade Policy | d) None of these. |

Public goods are:

- | | |
|---------------|-------------------|
| a) Excludable | b) Non excludable |
| c) Marketable | d) None of these. |

In India the authority to sanction the Union Budget is:

- | | |
|------------------------|----------------------|
| a) President of India. | b) Finance Minister. |
| c) Union Cabinet | d) Parliament. |

Who is the chairman of the 15th Finance Commission?

- | | |
|-----------------|---------------|
| a) A.M Khusru | b) N.K Singh |
| c) Vijay Kelker | d) Rangarajan |

Fill in the blanks

4. Non – rivalry is a feature of
5. Wagner's law is related to
6. An excise duty is levied on
7. Gadgil formula is related to

Answer in a word or sentence

9. MSA
10. Progressive tax
11. Local finance.
12. Fiscal policy.

(12x ½ = 6 Marks)

PART B

Very short answer questions - Answer any 10. Each question carries 2 marks

13. Merits of direct taxes.
14. Value Added Tax.
15. Goods and Service tax.
16. Methods of debt redemption.
17. Double Taxation..
18. Social Goods.
19. Cost Benefit analysis.
20. Black Money.
21. Major problems of Federal Finance.
22. Finance Commission.
23. Canon of elasticity.
24. Distinguish Tax evasion and Tax shifting.

(10x2= 20 M)

PART C

Short Essay Type Questions - Answer Any 6 Questions. Each question carries 5 marks

25. State the difference between private finance and public finance.
26. What are the recommendations of 15th Finance Commission?.
27. What is deficit financing?
28. Explain the contra – cyclical fiscal policy.
29. Describe the important sources of non- tax revenue to the government of India..
30. Discuss the Theories of incidence and shifting.
31. Examine the concept of inter – generational equity in sharing the burden of public debt.
32. Critically evaluate the post liberalization tax reforms in India.

(6x5= 30 M)

PART D

Essay Type Questions - Answer Any 2 Questions. Each question carries 12 marks

33. Explain the principle of maximum social advantage and how maximum social advantage is achieved.
34. Give a critical note on the causes for the growth of public expenditure in India.
35. Explain the roles of deficit financing as an instrument of economic development.
36. What are the major problems of Indian fiscal federalism? How are they solved?

(2x12= 24 M)

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
Sixth Semester BA Economics Degree Examination, March 2018
ECO6B14 – Development Economics
(2015 Admission onwards)

Max. Time: 3 hours

Max. Marks: 80

Part A

Multiple choices: answer all questions

Each question carries 1/2 marks

1. The hypothesis that the degree of inequality of income increases at the initial stages and declines at the later stages in the development history of the nations has advanced by
A. R F Harrod B. Simon Kuznets C. J R Hicks D. T W Schultz
2. The concept of Hindu growth rate coined by
A. K N Raj B. Raj Krishna C. A K Sen. D. Manmohan singh
3. Social, economical, and ecological equity is the necessary condition for achieving
A. social development B. economical development
C. sustainable development D. none of the above
4. "Meeting the needs of present generation without comparing the needs of future generation" this definition was given by:
A. Club of Rome 1972 B. Brundland report 1987
C. World conservation strategy 1980 D. Limits to growth
5. Who is known as Green Gandhi?
A. N Agrawal B. Baba Amthe C. J C Kumarappa D. none of the above
6. The first country imposes Carbon tax?
A. Newzeland B. Finland C. Bhutan D. India
7. Millennium Development Goal introduced in the year
A.2000 B.1990 C.2015 D.1997
8. World Happiness Index published by
A.UNDP B.SDSN C.IMF D. Bhutan
9. The range of PQLI
A.0-100 B.1-100 C.0-1 D.1-10
10. " A nation is poor because it is poor" famous quotation by:
A. Ragner Nurks B.A K Sen C. Friedman D.J M Keynes
11. Growth related to developed countries and development related developing countries
A.Kuznets B. Madison C. Schumpeter D. none of the above
12. The first Earth summit was held at
A. Reo De Jeniro B. Paris C. MIT D. Montreal

Part B

Very short answer- Define any ten questions

13. Poverty gap
14. Sustainable development
15. Gini co-efficient
16. HDI
17. Economic planning
18. Paris summit
19. Inverted U shape hypothesis
20. Vicious circle of poverty
21. Disguised unemployment
22. Balanced growth strategy
23. Bombay plan
24. Planning commission

(10x2=20 Ma

Part C

Short essay -Answer any five questions

25. Distinguish between economic growth and economic development?
26. Differentiate absolute poverty and relative poverty?
27. Explain the "critical minimum effort thesis"
28. Evaluate the predication of club of Rome
29. Explain the concept of Missing women Mystery.
30. Discuss the Millennium Development Goal?
31. Briefly explain Rostow's stage theory?
32. Discuss the merits and demerits of PQLI as a measure of economic development?

(6x5=30 Ma

Part D

Essay- Answer any two questions

33. "Economic development is incomplete without considering environment" Discuss
34. Explain various alternative measures of economic development?
35. Distinguish between balanced growth strategy and unbalanced growth strategy? Explain the unbalanced theory of Hirschman? State its relevance in India's second five year plan?
36. Write a critique on the process of planning in India?

(2x12=24 Ma

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Reg. No:.....

Name:

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
Sixth Semester BA Economics Degree Examination, March 2018
ECO6E03 – Economics of Business and Finance
 (2015 Admission onwards)

Max. Time: 3 hours

Max. Marks: 80

PART A
Answer All Questions
Each question carries ½ marks

1.Means spending or setting aside money for future financial gain.
 (a) Investment (b) Consumption
 (b) Saving (d) Income
2.Shares represent ownership capital.
 (a) Preference (b) Equity
 (b) Bonus (d) Bonds
3. The estimate of costs associated with investments are called.....
 (a) Cash inflows (b) Opportunity cost
 (b) NPV (d) Cash outflows
4. A project is said to be economically justified when its NPV is.....
 (a) Zero (b) Positive
 (b) Negative (d) Infinity
5. The profitability index is also known as.....ratio.
 (a) IRR (b) NPV
 (b) Benefit-Cost ratio (d) Payback period
6. is a report of what the company has as on the end of the fiscal period.
 (a) Balance sheet (b) Income statement
 (b) Cash flow statement (d) Liabilities
7.implies that money received in the future is usually worth less than today.
 (a) Present value of money (b) Future value of money
 (b) Time value of money (d) None of the above
8. are the obligations of the business enterprise that must be repaid at a future point in time.
 (a) Assets (b) Liabilities
 (b) Equity (d) All the above

9. is the entry preventing price.
- (a) Auction pricing (b) Value pricing
(b) Peak-Load pricing (d) Limit Pricing
10. The price is kept artificially low in
- (a) Full cost pricing (b) Limit Pricing
(b) Value pricing (d) Psychological pricing
11. Long run theory of production function is known as
- (a) Law of variable proportion (b) Law of returns to scale
(b) Law of diminishing returns (d) None of the above
12. Opportunity cost are also known as
- (a) Spill-over costs (b) Money costs
(b) Alternative costs (d) External costs

(12 x ½ =6 marks)

PART B (Very Short Answer Questions)

Answer any 10 Questions

Each question carries 2 marks

13. What is business economics?
14. Define marginal efficiency of investment.
15. What are the key aspects of investment?
16. What are financial derivatives?
17. Define treasury bills.
18. Define Profitability Index
19. Define Capital Budgeting.
20. What is NPV?
21. What is time value of money?
22. What is discounting?
23. Define Economies of Scale.
24. Define Price Discrimination.

(10x2=20 marks)

PART C (SHORT ESSAY QUESTIONS)

Answer any 6 Questions

Each question carries 5 marks

Illustrate the dual effect of net investment in an economy.

Distinguish between call option and put option.

What is demand estimation? Discuss the methods of demand estimation.

Explain the price leadership.

Explain any five pricing practices.

Explain process of investment management.

What are the criteria for investment evaluation?

Briefly explain the production function and its importance.

(6x5=30 marks)

PART D (ESSAY QUESTIONS)

Answer any 2 Questions

Each question carries 12 marks

3. Discuss the major investment alternatives

4. Discuss the methods of capital budgeting.

5. Discuss the break-even analysis.

6. What is demand forecasting? Discuss the methods of demand forecasting.

(2x12=24 marks)

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
Sixth Semester BA Economics Degree Examination, March 2018
ECO6B11 – Macroeconomics – II
(2015 Admission onwards)

Max. Time: 3 hours

Max. Marks: 80

Part A**(Multiple Choice Questions)****Answer all questions. Each question carries ½ mark**

1. The Quantity Theory of Money states that an increase in the money supply causes
 - a) Proportional increase in real output
 - b) Proportional increase in prices
 - c) Proportional decrease in prices
 - d) Proportional decrease in velocity of circulation
2. If the price level rises,
 - a) Nominal income is unaffected
 - b) quantity demanded of money falls
 - c) The value of money falls
 - d) None of these
3. Which of the following is an automatic stabilizer?
 - a) Spending on public schools
 - b) Military spending
 - c) Spending on space shuttle
 - d) Unemployment benefits
4. In the long run, Phillips Curve is
 - a) horizontal
 - b) vertical
 - c) downward sloping
 - d) either vertical or downward sloping
5. Suppose a wave of investor and consumer pessimism in India causes a reduction in spending. If the RBI chooses to engage in activist stabilization policy, it should
 - a) increase government spending and reduce taxes
 - b) decrease the government spending and increase taxes
 - c) decrease the money supply
 - d) decrease interest rates
6. According to Liquidity Preference Theory, interest rate is determined by
 - a) Aggregate demand and Aggregate supply
 - b) the supply and demand for loanable funds
 - c) the supply and demand for labour
 - d) the supply and demand for money

7. IS function shifts forward, when investment function shifts
 - a) backward
 - b) forward
 - c) remain constant
 - d) None of these
8. The unemployment, which is the outcome of job search is known as
 - a) disguised unemployment
 - b) frictional unemployment
 - c) seasonal unemployment
 - d) under – employment
9. The **initial effect** of an increase in money supply is
 - a) increase in the interest rate
 - b) decrease in the interest rate
 - c) increase in the price level
 - d) decrease in the price level
10. Who propounded IS – LM model?
 - a) J M Keynes
 - b) Milton Friedman
 - c) John R Hicks
 - d) Friedrich Hayek
11. An inflation measure which excludes temporary price volatility as in the case of some commodities such as food items, energy products is known as
 - a) headline inflation
 - b) core inflation
 - c) nominal anchor
 - d) inflation targeting
12. ----- measures the costs associated with the loss of output due to inflation
 - a) Misery index
 - b) sacrifice ratio
 - c) stagflation
 - d) Okun's Law

(12x ½ =6 Marks)

Part B

Very Short Answer Questions

Answer any 10 questions. Each question carries 2 marks

13. Money multiplier
14. Liquidity
15. Distinguish between inside money and outside money
16. Okun's Law
17. What are fiscal policy instruments?
18. Narrow money
19. What are the phases of business cycle?
20. Long run Phillips Curve.
21. IS curve
22. Quantity Theory of Money
23. Distinguish between repo rate and reverse repo rate.
24. Stagflation

(10x2 =20 Marks)

Part C
Short Essay

Answer any 6 questions. Each question carries 5 marks

5. Define money. What are the functions of money?

6. Distinguish between demand pull and cost push inflation.

7. Discuss the derivation of BP curve.

8. Discuss different types of unemployment.

9. What are the factors causing a shift in LM curve?

10. Liquidity Preference Theory.

11. What is inflationary gap?

12. What are the various measures of inflation in India?

(6x5=30 Marks)

Part D
Essay

Answer any 2 questions. Each question carries 12 marks

3. Critically examine Friedman's Restatement of Quantity Theory of Money.

4. Discuss the theories of trade cycles.

5. Examine the effectiveness of fiscal and monetary policies in IS-LM framework.

6. What is Phillips curve? Discuss the developments in Phillips Curve literature.

(2x12=24 Marks)