14

1M2M18039 (Pages : 3) Reg. No:.....

Name: .....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Second Semester MA Economics Degree Examination, March 2018

MECO2B05 – Micro Economics Theory and Application – II

(2017 Admission onwards)

Max. Time: 3 hours Max. Weightage : 36

Part A

Answer all questions.

Each bunch four questions carries a Weight age of 1.

A. Multiple Choices:

1. A firm can signal the higher quality of its products to its potential customers by adopting

   (a) Brand name (b) Offering guarantees

   (c) Policy of exchanging defective items (d)All the above

2. The goods which cannot be judged by inspection at the time of purchase but only after using them is known as:

   (a) Experience goods (b) Search goods

   (c) Social good (c) Economic good

3. The locus of tangency points of the indifference curves for two individuals when the economy is in general equilibrium of exchange is known as

   (a) Contract curve for Production (b) Contract Curve for Exchange

   (c) Social Welfare Function (d) Consumer Equilibrium

4. The argument that welfare is improved by the 'greatest good by the greatest number' is formulated by

   (a) Pareto (b) Germy Bentham

   (c) Adam Smith (d) Alfred Marshall

B. Multiple Choices:

5. The increase in the probability of illness, fire or other accident when an individual is insured than when she is not is known as;

   (a) Asymmetric Information (b) Market Signaling

   (c) Moral Hazard (d) Adverse Selection

6. The envelope of the utility possibility frontier represents

(a) Grand Utility Possibility Frontier (b) Social welfare function

(c) Community indifference curve (d) Non of the above

7. According to Marx, the rate of exploitation remains constant, increase in organic composition of capital will lead to;

(a) Lower Rate of Profit (b) Lower Rate of Wages

(c) Increase Rate of Profit (d) Lower rate of Wages

8. A change that benefits some but harm others can be evaluated with;

(a) Pareto optimality criterion (b) Kaldor-Hicks-Scitovsky criterion

(c) Arrow's impossibility criterion (d) Second Best criterion.

C. Fill in the blank:

9. The study of the interdependence or interconnections that exist among all markets and prices in the economy is known as ----------

10. The low quality products drive out high quality product is known as ----------

11. The locus of tangency points of the indifference curves of the two individuals is known as ----------

12. Externalities when they are harmful are called ----------

D. State whether the following statements are True or False:

13. Adverse selection arises when products of different qualities are sold at different prices because buyers or sellers are not sufficiently informed to determine the quantity at the time of purchase.

14. A consumer should continue the search for lower price as long as the marginal benefit from continuing the search equal the marginal cost.

15. The only way to avoid adverse selection in the insurance market entirely is to provide compulsory insurance to all the people in the group.

16. The increased probability of a loss when an economic agent can shift some of its costs to others is termed as moral hazard.

(16×0.25 = 4 Weightage)

Part B

Answer ay ten questions.
Each question carries a Weightage of 2.

17. Explain Euler's theorem
18. What is Coase theorm?
19. What is market signaling?
20. Explain Theory of Second Best
21. What is Market failure?
22. What is meant by efficiency wage Theory?
23. What is Kaldor-Hicks Compensation Criterion?
24. What is search cost?
25. Explain Leontif's open system
26. What is general equilibrium?
27. Explain Tragedy of Commons.
28. Explain Hawkin- Simon condition
29. What is asymmetric information?
30. What do you mean by Free-Rider's problem?

(10×2 = 20 Weightage)

Part C

Answer any three questions.
Each question carries a weight of 4

31. What do you mean by adverse selection? How can the problem of adverse selection be overcome?
32. Explain Kalecki's theory of distribution.
33. Explain input output analysis ? Analyse Hawkin – Simon Condition.
34. Analyze general equilibrium of exchange and production
35. Critically evaluate Pareto optimality criterion.

(3×4 = 12 Weightage)

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Second Semester MA Economics Degree Examination, March 2018

MECO2B06 – Macro Economics Theory and Policy - II

(2017 Admission onwards)

Max. Time: 3 hours Max. Weightage : 36

Part A

Answer *All* questions in this part.

Each questions carries a weight of ¼

I Choose the appropriate answer from the choices given

1. Who among the following is associated with OLG Model?
   A) Keynes B) Ricardo
   C) Samuelson D) Ragnar Frisch
2. Which is consistent with Quantity Theory of Money?
   A) Say's Identity B) Say's Equality
   C) Keynesian System D) None of the these
3. Inventory Theoretic Model of demand for money was proposed by
   A) Keynes B) Baumol
   C) Friedman D) Hawtrey
4. At Liquidity Trap, the elasticity of demand for Money is
   A) Zero B) Unity
   C) Less than One D) Infinity
5. Liability of the Central Bank is called
   A) High Powered Money B) Monetary Base
   C) Both A & B D) None of these
6. Long run Phillips curve is
   A) Exponential B) Logarithmic
   C) Horizontal D) Vertical
7. Classical Dichotomy refers to the compartmentalisation between
   A) Goods & Factor Markets B) Real & Monetary Sectors
   C) Goods & Labour Markets D) Real & Construction Sectors
8. According to Behavioural Model, Money Supply is
   A) Endogenous B) Exogenous
   C) Either A or B D) None of these

II Fill in the blanks

9. Tatonnement means .....
10. Precautionary motive demand for money is a function of .....
11. Phillips curve shows the relationship between inflation and .....
12. The Union Finance Minister is .....

III State whether True or False

13. According to Inventory approach, the cost of holding cash balance is minimised.
14. According to Classical School, monetary changes will have an effect on real variables.
15. Quantity Theory of Money assumes that Velocity of Circulation is constant.
16. NAIRU is conceptually same as Natural Rate of Unemployment

(16 x ¼ = 4 weightage)

Part B

Answer *any ten* questions in this part.

17. What is Classical Dichotomy?
18. Distinguish between Say's Equality and Say's Identity.
19. Discuss the Inventory Theoretic Approach to demand for money.
20. Explain Fisher Effect.
21. Explain the working of Money Multiplier.
22. Explain the notion of money as a Buffer Stock.
23. Explain the H-Theory of money creation.
24. Explain the case for Inflation Targeting.
25. What is Natural Rate of Unemployment?
26. Discuss Okun's Law.
27. Discuss *Lucas' Supply Function.*
28. Discuss the idea of *Time inconsistency* of discretionary policy
29. Write a note on "Lucas Critique".
30. Discuss India's experience with Inflation Targeting.

(10 x 2=20Weightag

Part C

Answer *anythree* questions in this part.

31. Explain the General Equilibrium System.
32. How did Friedman restate the Quantity Theory of Money?
33. Discuss the Behavioural Model of Money Supply.
34. Discuss Short Run and Long Run *Phillips Curve*. What are its policy implications?
35. Discuss the debate on Rules versus Discretion.
36. What is inflation? What are the causes and implications of continued inflation?

(3 x 4 = 12 weightage)

16

1M2M18041 (Pages : 3) Reg. No:.....

Name: .....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Second Semester MA Economics Degree Examination, March 2018

MECO2B08 – Quantitative Methods for Economic Analysis II

(2017 Admission onwards)

Max. Time: 3 hours Max. Weightage : 36

PART A

Answer *all* questions.

(Each bunch of four questions carries a weightage 1)

A:Multiple choice

1. Which one of the following is a large sample property

   a)unbiasedness b)consistency c)sufficiency d)efficiency

2. For a positively skewed distribution ,the mean ,median and mode are satisfies

   a)mode=median=mean b)mode>median>mean c)mode<median<mean d)none of these

3. For a chisqure distribution,

   a)mean=variance b)mean=2 variance c)mean=half of the variance d)mean>variance

4. What is the correlation betweennumber of heads and number of tails when a coin is tossed n times

   a)0.5 b) -0.5 c)1 d)-1

B Multiple choice

5. For a binomial distribution mean=4 and variance=2 then the number of trials will be

   a)10 b)4 c)8 d)none of these

6. **t** -test can be used to test

   a)goodness of fit b)significance of variance c)equality of variance d)equality of mean

7. We reject the null hypothesis when it is true is

   a)type II error b)type I error c) power of the test d)none of these

8. If X1,X2,...Xn are independent and identically Bernouli random variable then $\sum Xi^2$ is

   a)$\chi^2(n)$ b)N(np,npq) c)B(n,p) d) P(np).

C Fill in the blanks

9. The degrees of freedom for chisqure in the case of 2x2 contingency table is .....

10. The notion of confidence interval was introduced and developed by .....

11. A value of an estimator is called .....

12. Mean= variance for ..... distribution.

D TRUE or FALSE

13. If X and Y are two independent normal variate then X-Y is also a normal distribution

14. The range of normal distribution is 0 to ∞

15. Sample mean is an unbiased estimator for population mean always.

16. Student t test is a large sample test.

(16 x ½ = 4 weig

Part B

Answer any *ten* .Each carries a weightage of 2

17. Define Binomial distribution. Obtain its mean

18. Let X and Y are independent poison random variable such that P[X=1]=P[X=2] and P[Y=2]=P[Y=3] find the mean and variance of X-3Y

19. Height of students is normally distributed with mean 165cms and standard deviation 5 Find the probability that height of a student is

    i. more than 177 ii. less than 162 iii. Between 160 and 170 iv. less than 160

20. State the desirable properties of a good estimator

21. Explain the following

    i. Null hypothesis ii. Alternative hypothesis iii. level of significance d. Critical regi

22. Define T and F statistic and state 3 properties of each.

23. Derive the confidence interval for the difference of means of two normal population

24. The mean of random sample of 1000 and 2000 are 67:5 and 68 inches respectively. (sample be regarded as drawn from the same population of σ=2.5 inches.

25. Establish the additive property of binomial distribution.

26. If X1,X2,X3 are 3 independent observation from a population with mean μ and vari T1=X1+X2-X3 and

    T2=2X1+3X2-4X3 are two estimate of μ. Compare their efficiencies.

7. Find the mean variance and mgf of continuous uniform distribution

8. Distinguish between point estimation and interval estimation.

9. Describe about Analysis of Variance.

10. An unbiased coin is tossed 6 times .What is the probability of obtaining

i.4 or more heads ii. exactly 4 heads iii. no head iv. atmost one head.

(10 x 2 = 20 weightage)

PART C

Answer any three questions. Each question carries a Weightage of 4

1. Define normal distribution and list out the properties of normal distribution.

2. Consider the following 2x2 contingency table

	A1	A2	total
B1	7	1	8
B2	6	8	14
total	13	9	22

Apply chi square test at 5% level of significance whether two Attributes A and B are independent.

3. In litters of 4 mice the number of litters which contained 0,1,2,3,4, females were noted .The figures are given in the table below.

No.of female mice	0	1	2	3	4	total
No.of litters	8	32	34	24	5	103

If the chance of obtaining female in a single trial assumed constant ,estimate this constant of unknown probability .Find also the expected frequency.

4. A random sample of 1000 workers from factory A shows that the mean wages were Rs.47 per week with a standard deviation of Rs.23.A random sample of 1500 workers from a factory B give a mean wage of Rs.49 per week with a standard deviation of Rs.30 Is there any significance difference between their mean level of wages.

5. In a sample of size 10 ,the following observations are obtained 13,15,14,10,8,12,15,9,10,18. Obtain an unbiased estimate of the population mean and variance.

(3 x 4 = 12 weightage)

M2M18042 (Pages : 2) Reg. No:.....

Name: .....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Second Semester MA Economics Degree Examination, March 2018

MECO2B07 – Public Finance Theory & Practice

(2017 Admission onwards)

Max. Time: 3 hours Max. Weightage : 36

Part A

***Each bunch of* four *questions carries a weightage of* 1.**

A- Multiple Choices

1. A regressive tax will tend to redistribute income more:
   (a) Equally (b) Evenly
   (c) Equitably (d) Inequitably
2. Agricultural income tax is a :
   (a) State Tax (b) Central Tax
   (c) Local Tax (d) Indirect Tax
3. The best example of a Federal state is :
   (a) USA (b) China
   (c) Russia (d) UAE
4. The critical limit hypothesis regarding tax tolerance was put forth by :
   (a) Dalton (b) Colin Clark
   (c) Peacock (d) Jack Wiseman

B - Multiple Choices

5. The relationship between tax rate and tax revenue is illustrated in:
   (a) Lorenz Curve (b) Laffer Curve
   (c) Offer Curve (d) Phillips Curve
6. Incidence of indirect tax:
   (a) Can be shifted (b) Cannot be shifted
   (c) Partially shifted (d) Both a & b
7. Chairman of 15th finance commission is:
   (a) N.K Sing (b) Y.V Reddy
   (c) V.K Sing (d) K.C Pant
8. SGST is collected by:
   (a) Central Government (b) State Government
   (c) LSGs (d) Both (a) and (b)

C- Fill in the blanks:

9. 'India Tax Reform: Report of a Survey' is a book written by.....

10. SGST stands for .....

11. .....refers to the ultimate burden of tax.

12. Zero based budgeting was developed by.....

D- State True or False:

13. Loans raised for productive purposes are known as self-liquidating loans.

14. The controlling authority of government expenditure is Finance Ministry.

15. The concept of functional finance was developed by A. Wagner.

16. The value of the balanced budget multiplier is always equal to one. **(16 x ¼ = 4 weightag**

Part B

Answer any* ten *questions

***Each question carries a weightage of* 2**

16. Explain the ability pay theory of tax.

17. Write a note on property rights and Coase theorem. .

18. Write a note on sustainability of public debt.

19. What are the different types of budgets? explain.

20. Explain the theory of intergovernmental transfers

21. Explain the canons of public expenditure

22. Distinguish between compensatory finance and functional finance.

23. Distinguish between plan and non plan expenditure.

24. What is public debt? What are the various methods of debt redemption?

25. Examine the need for financing social infrastructure and human development in a developing economy.

26. What is Pigovian Tax? Examine its implication on negative externalities?

27. Critically examine Musgrave's views on incidence of taxation.

28. Distinguish between fiscal deficit and budget deficit

29. Explain Tiebout model.

(10 x 2 = 20 weightag

Part C

Answer any* three *questions

***Each question carries a weightage of* 4**

30. Explain the stages involved in the preparation, presentation and execution government budget.

31. What is GST? How does it work in India? Explain.

32. What do you meant by Zero Base Budgeting? What are its merits and demerits?

33. Critically evaluate the nature of Centre-State financial relations in India.

34. Discuss the allocative, distributive and stabilization functions of the government.

35. Explain the major theories of public expenditure.

(3x4 = 12 weight