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Reg. No:.....

Name: .....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

First Semester MA Economics Degree Examination, November 2022

MEC1C01 – Micro Economics Theory and Applications – I

(2022 Admission onwards)

Time: 3 hours

Max. Weightage : 30

**PART A**

**Objective Type Questions**

Answer all the questions (Weightage for each Question 1/5. Total Weightage -3)

1. According to the kinked demand curve model, a firm will assume that rival firms will:  
a) Keep their rates of production constant    b) Keep their price constant  
c) Match price cuts but not price increases    d) Match price increases but not price cuts.
2. In game theory, a choice that is optimal for a firm no matter what its competitors do is referred to as:  
a) The dominant strategy.    b) The game-winning choice  
c) Super optimal.    d) None of the above.
3. In Cournot's model of duopoly, cost of production is assumed as \_\_\_\_\_.  
a) Higher    b) Lower    c) Zero    d) Average
4. The C-D production function elasticity of substitution is equal to:  
a) One    b) Constant    c) Zero    d) None of the above
5. Sales Maximisation is suitable for \_\_\_\_\_ market:  
a) Oligopoly    b) Duopoly    c) Monopoly    d) Monopsony
6. When technical Progress is Labour deepening at constant K/L ratio:  
a)  $MRTS_{LK}$  decreases    b)  $MRTS_{LK}$  increases  
c)  $MRTS_{LK}$  remains constant    d)  $MRTS_{LK}$  is zero
7. What does a game theory assumes ?  
a) The rival firm makes effort for sales maximization.  
b) The Rival firm mostly adopts a strategy which is unfavorable for the other  
c) No alternative choices are available to the firm.  
d) The firms aims at profit maximization.

8. In Friedman- Savage hypothesis , the total utility curve:
  - a) One segment      b) Two segment      c) Three segment      c) Four Segment
9. Limit pricing is a pricing strategy designed to:
  - a) Maximise profit      b) Maximise Sales
  - c) Restrict entry of new firms      d) Compete with each other.
10. Houthakker and Taylor model applied to :
  - a) Consumer durables      c) Consumer non durables
  - c) Both a and b      d) None of the above
11. With increase in output, the difference between total cost and total variable cost:
  - a) Decreases      b) Increases
  - c) Remains Constant      d) None of the above
12. Economies of scope refers to the lowering of the cost of production of a .....firm.
  - a) Single product      b) Multi-product
  - c) Differentiated product      d) Homogeneous product
13. Each player believes that it is doing the best, give the strategy of the other:
  - a) Prisoner's Dilemma      b) Dominant Strategy
  - c) Nash equilibrium      d) None of the above
14. The marginal utility of money diminishes for a decision maker who is:
  - a) Risk averter      b) Risk neutral
  - c) Risk taker      d) None of the above
15. The desire to achieve social status through conspicuous consumption is called:
  - a) Snob effect      b) Wealth effect
  - c) Veblen effect      d) Price effect

### PART B

#### Short Answer Questions

**Answer any 5 (Weightage for each Question 1. Total Weightage -5)**

16. Bandwagon effect
17. N.M utility index.
18. Constant elasticity demand function.
19. Economies of scope.
20. Cost function.
21. Cartels.
22. Zero sum and Non – Zero sum game.
23. Learning curve.

**PART C**  
**Short Essay Questions**

**Answer any 7 (Weightage for each Question 2. Total Weightage -14)**

24. Evaluate Baumol's Sales maximization theorem.
25. Discuss the effect of positive and negative externalities on demand curve.
26. Discuss the important features of Cobb-Douglas production function.
27. Compare Cournot and Bertrand models of oligopoly.
28. What are different types of non-collusive oligopoly models.
29. Explain Linear homogenous production function.
30. Discuss the peculiarities of Williamson theory of the firm.
31. List out important models of price leadership.
32. Discuss choice under uncertainty.
33. Write a note on technological progress.

**PART D**  
**Essay Questions**

**Answer any 2 (Weightage for each Question 4. Total Weightage -8)**

34. Discuss the superiority of Markowitz hypothesis over Friedman Savage hypothesis.
35. Briefly explain the limit pricing model of Bain. What are the major threats to the entry of new firms.
36. Explain major concepts in the theory of games. Discuss in detail the concept of Nash equilibrium.
37. Discuss how Lancaster explained goods characteristics approach to demand.

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

First Semester MA Economics Degree Examination, November 2022

MEC1C02 – Macroeconomics: Theories and Policies - I

(2022 Admission onwards)

Time: 3 hours

Max. Weightage : 30

**Part A (Multiple Choice Questions)****Answer all questions****Each question carries 1/5 weightage**

1. As per 'q' theory of investment firms can increase their stock by purchasing new capital only when:  
a)  $q < 1$       b)  $q = 1$       c)  $q > 1$       d)  $q < 0$
2. According to Permanent income hypotheses, the marginal propensity to consume out of transitory income is :  
a) Equal to One      b) Fairly close to one  
c) Fairly close to zero      d) Indeterminate
3. At natural rate of employment, the shape of Phillips Curve becomes:  
a. Horizontal      b) Vertical      c) U shaped      d) rectangular hyperbola
4. If APC declines as income increases, the consumption function is said to be:  
a. Linear      b) Non-linear      c) Proportional      d) Non-proportional
5. The equation  $C = 50 + 0.5 y$  predicts that consumption is:  
a) 100 when Disposable Income is 200      b) 200 when Disposable Income is 150  
c) 75 when disposable income is 200      d) 150 when disposable income is 200
6. The term accelerator refers to the ratio of :  
a) Output to capital stock      b) Output to money stock  
c) Market value of capital to replacement cost of capital  
d) Capital stock to output
7. The MEC increases when:  
(a) Capital stock increases      (b) Capital stock decreases  
(c) Capital remains constant      (d) None of the above

8. When there is no capital mobility the BP curve is  
 a) Negative                      b) ) Positive                      c) Horizontal d) Vertical
9. Natural rate of unemployment is the sum of the following two unemployment:  
 a) Structural and seasonal                      b) Cyclical and Seasonal  
 c) Structural and Frictional                      d) Structural and Technical
10. Keynesian labour market is characterized by:  
 a) Wage rigidity                      b) Wage flexibility                      c) Both a & b d) None of these
11. The open economy IS curve is downward sloping but steeper than closed economy is due to:  
 a) Additional leakage of imports                      b) Wage rigidity  
 c) Increase in the size of multiplier                      d) None of these
12. Real wage refers to  
 a. Nominal wage / price index                      b. Price index / nominal wage  
 c. Nominal wage – price index                      d. Nominal wage + price index
13. The central idea of supply-side economics is that certain types of tax cuts will increase  
 a) Aggregate supply                      b) Aggregate Demand  
 c) Imports                      d) Money Supply
14. Stagflation occurs when the economy experiences  
 a) Rising prices and rising outputs                      b) Rising prices and falling outputs  
 c) Falling prices and rising outputs                      d) Falling prices and falling outputs
15. The optimal stock of capital is achieved when the user cost of capital is equal to :  
 a) the interest rate                      b) the depreciation rate  
 c) the marginal product of capital                      d) Tobin's q

**Part .B**

**Short Answer Questions**

**Answer any 5 questions**

**Each question carries 1 weightage**

16. Psychological law of consumption
17. Pigou Effect
18. Inter-temporal choice model
19. Ricardian Equivalence.
20. Write a note on Crowding out effect.
21. Small Menu cost model.
22. Lucas Critique.
23. write a note on Laffer Curve

**Part .C.**  
**Short Essay Questions**  
**Answer any 7 questions**  
**Each question carries 2 weightage**

24. Briefly explain Kuznets consumption puzzle.
25. How Keynes postulated the under employment equilibrium as a general condition .
26. Critically examine the Random Walk hypothesis.
27. Bring out the prepositions of implicit wage contract model.
28. Explain Insider-Outsider model.
29. State Patinkin's Real Balance Effect.
30. What is the meanings of the concept of supply of Labour ? Elucidate the influence of Income – Leisure trade off on Labour supply.
31. Critically evaluate small mean cost model.
32. Compare and contrast the Keynesian and Monetarist views on Great Depression.
33. Outline the major supply-side policies which could be used by a government.

**PART D**  
**Essay Questions**  
**Answer any 2 questions**  
**Each question carries 4 weightage**

34. Business Cycles are the outcomes of real shocks- Discuss
35. Examine the major postulations and policy implications of New Classical macroeconomics.
36. Describe the significance of monetary and fiscal policy mix to control inflation using ISLM Model.
37. Explain the features of Keynesian labour market and also examine the existence of involuntary unemployment in labour market.



11. Who is the present Chief Economic Advisor to the Govt. of India?  
a) Anantha Nageswaran                      b) Arvind Subramanian  
c) Amartya Sen                                  d) Arvind Virmani
12. Which is the base year for new series of National Account Statistics in India?  
a) 2013-14                                        b) 2011-12  
c) 2004-05                                        d) 1993-94
13. Which sector accounted for a positive growth rate in the year 2020-21?  
a) Industry                                        b) Agriculture  
c) Manufacturing Sector                        d) Service Sector
14. ASI data has been published by?  
a) MoSPI    b) DPIIT  
c) Office of Economic Advisor                d) NITI Ayog
15. Which state in India has the highest value in HDI 2021?  
a) Kerala    b) Gujarat  
c) Karnataka                                        d) Maharashtra

**Part B- Answer any 5 Questions  
Each question carries a weightage of 1**

16. What is Poverty Line? Write a demerit of it in measuring poverty.
17. Define Inclusive growth and mention any two inclusive policies of the government.
18. What is GVA?
19. Write a short note on FRBM Act
20. What is Hindu Rate of Growth?
21. Write a note on MPI of NITI Ayog
22. Define Structural change
23. Write a note on Agreement on Agriculture (AoA)



**Part C**  
**Answer any 7 Questions**  
**Each question carries a weightage of 2**

24. Briefly Examine the Regional Differences in Growth and Development in India.
25. Assess the extent of inequality in India.
26. Analyse the growth of Indian Economy under various policy Regimes
27. Explain the changes in the occupational structure in India.
28. Examine the achievements of targets outlined in the FRBM Act.
29. Discuss the major foreign investment policy reforms.
30. Analyse the recent trends in investments in Indian Agricultural sector.
31. Discuss Inequality among different social groups in Kerala
32. Explain the nature and reasons for industrial backwardness of Kerala.
33. Discuss the major achievements of decentralisation in Kerala.

**Part D**  
**Answer any two**  
**Each question carries a weightage of 4**

34. Analyse the structural changes in Indian Economy since 1951.
35. Examine in detail the financial sector reforms in India
36. Show the extent of fiscal crisis in Kerala. Analyse the causes and consequences.
37. Examine the growth and composition of India's exports and imports during the post economic reforms period.

## FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

## First Semester MA Economics Degree Examination, November 2022

## MEC1C04 – Quantitative Methods for Economic Analysis – I

(2022 Admission onwards)

Time: 3 hours

Max. Weightage : 30

**PART – A****Answer all questions.****(Each question carries weightage 1/5 )****A. Multiple choice**

1.  $\lim_{x \rightarrow 4} \frac{x^2-16}{x-4}$  is  
a) 0    b) 8    c) 1    d) none of these
2. If  $y = 2x^4 - \sin x$ , then  $\frac{dy}{dx}$  is .  
a)  $8x - \cos x$     b)  $8x + \cos x$     c)  $8x^3 - \cos x$     d)  $8x^3 + \cos x$
3. The degree of the differential equation  $t^2 \frac{d^2s}{dt^2} - st \frac{ds}{dt} = s$  is  
a) 2                    b) 1    c) 3    d) 4
4. The minimum value of the probability of an event is  
a) -1    b) 0    c) 1    d) 2
5. If A and B are independent events, then  $P(A \cap B)$  is  
a)  $P(A) + P(B)$             b)  $P(A) \cdot P(B)$     c) 0    d) 1
6. The standard deviation of a Poisson distribution with parameter  $\theta$  is  
a)  $\theta$     b)  $\sqrt{\theta}$     c) 1    d)  $\theta^2$
7. Which function can not be used to import a csv file in R?  
a) read.table()    b) read.csv()    c) read\_excel()    d) None of these(PTO)

**B. Fill in the Blanks**

8.  $\int e^{-3x} dx$  is .....
9. If there is no reason to expect one event rather than the other, events are said to be .....
10. Variance of a random variable X is defined to be ..... moment.
11. R is a .....programming language.

**C. State True or False**

12. The set of all possible outcomes of a random experiment is called sample space.
13. The variance of a random variable is the second central moment.
14. The variance of a  $B(n, p)$  random variable is  $np$  .
15. A difference equation describes the relationship between the value of a variable. in any time point to its value in the adjacent time point.

32. What are the conditions for maxima and minima of a function? Find the maximum value of the function  $\frac{1}{3}x^3 - 2x^2 + x + 1$
33. What is meant by data frames in R programming? Give examples.

**PART – D**  
**Essay Questions**  
**Answer any 2 questions.**  
**Each question carries weightage 4.**

34. What are the applications of differential calculus in Economics?  
The cost for a monopolist firm producing  $x$  items per week is given by  $4x^2 - 80x + 500$  rupees. To have minimum cost, how many units should be produced per week? Also calculate the minimum cost.
35. Write a note on Cobb-Web model and its importance in Economics.
36. a) State Baye's theorem  
b) Among applications to a post in a company, 60% are the males and the rest are females. While 60% of the males are graduates, only 50% of the female applicants are graduates. If a graduate was selected for the post, what is the probability that the selected candidate is a male?
37. Fit a Poisson distribution for the following data
- |     |     |    |    |   |   |
|-----|-----|----|----|---|---|
| X : | 0   | 1  | 2  | 3 | 4 |
| f : | 123 | 59 | 14 | 3 | 1 |