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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

First Semester MA Economics Degree Examination, November 2023

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. A cartel that gives each member the exclusive right to operate in a particular geographic area is a

    a) Market sharing cartel   b) Centralized cartel

    c) Price leadership cartel   c) None of the above.

2. In a constant sum game one players gain is always another players:

    a) Loss   b) Gain

    c) Minimum Gain   d) Maximum gain.

3. When consumers seeks to be exclusive by demanding less of a commodity when more people demands it:

    a) Bandwagon effect   b) Snob Effect

    c) Price effect   d) Substitution effect

4. The kinked demand curve model assumes:

    a) Forms cooperate   b) Firms are not profit maximisers

    c) Firms compete with each other   d) None of the above.

5. In the CES production function, the elasticity substitution is:

    a) Constant   b) Always equal to one

    c) Zero   d) none of the above

6. Sales Maximisation concept is given by ——

    a) Samuelson   b) Modiglani   c) Veblan   d) Baumol

7. "Some people indulge both in buying insurance and gambling and thus they both avoid and choose risks".   This is explained by :

a) Freedman-Savage Hypothesis

b)The N-M Utility Index

c) Bernoulli Hypothesis

d) All the above

8. When technical Progress is capital deepening at constant K/Lratio:

a) MRTS $_{LK}$ decreases

b) MRTS $_{LK}$ increases

c) MRTS $_{LK}$ remains constant

d) MRTS$_{LK}$ is zero.

9. ---------- oligopoly entry of a new firm is highly restricted:

a) Collusive

b) Non collusive

c) Pure   d) Differentiated.

10. A sales-revenue maximisation firm:

a) Will produce at a higher level

b) Will keep low prices

c) Will invest on advertisement

d) All the above

11. Nerlove's model applied to :

a) consumer durables

c) consumer non durables

c) both a and b

d) none of the above

12. With the increase in production the difference between total cost and total fixed cost:

a) Remains Constant

b) Increases

c) Decreases

d) Both Increases or Decreases.

13. Optimal or best choice regardless of what the other adopts called:

a) Prisonner,s Dilemma

b) Dominant Strategy

c) Nash equilibrium

d) None of the above

14. The marginal utility of money increases for a decision maker who is:

a) Risk averter

b) Risk neutral

c) Risk taker

d) None of the above

15. Past values of demand and income influences demand in :

a) Linear expenditure system

b) distributed lag models

c) N- M utility analysis

d) Constant elasticity demand function

16. Technological progress.

17. St. Petersburg paradox

18. Linear demand curve.

19. CES Production function

20. Collusive oligopoly.

21. Cooperative and non - cooperative game.

22. Marris Model

23. Learning curve.

24. Explain Friedman Savage Hypothesis.

25. Discuss constant elasticity demand function.

26. Distinguish between homogeneous and non homogeneous production function.

27.' Kinked demand curve explains price stickiness'. Explain.

28. What do you mean by Prisoner's dilemma?

29. Explain zero-sum-game and non- zero- sum-game with suitable examples.

30. List out the properties of cost function.

31 .Differentiate snob and Veblen effect.

32. How is Williamson's model different from that of Baumol'smodel ?

33. Briefly explain the limit pricing model of Jagatish Bagavathi.

PART D
Essay Questions
Answer any 2 (Weightage for each Question 4. Total Weightage -8)

34. Explain the effect of positive and negative externalities on market demand.

35. Discuss the important features of Cobb-Douglas production function.

36. Compare and contrast Cournot and Bertrand models of oligopoly.

37. Explain Houthakker and Taylor model of Dynamic Demand functions.

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
First Semester MA Degree Examination, November 2023
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. Which of the following is not a conjecture of Keynes' Consumption Function:

   a)C = f(y)   b)0<mpc>1   c)MPC and APC are proportional   d)As Y rises c/y falls

2. Accelerator theory of investment explains the net investment in terms of :

   a)Increase in expected output   b)Increase in expected income

   c) increase in expected investment   d) increase in expected inflation

3. The concept of demonstration effect is related to:

   a. Relative Income Hypothesis   b) Permanent Income Hypothesis

   c) Absolute Income Hypothesis   d) None

4. The positive relationship between interest rate and level of income is shown by:

   a. IS curve   b)BP curve

   c) LM curve   d) All of the above

5. After a contractionary or expansionary fiscal policy:

   a) The LM curve shifts and we move along the IS cure

   b) The IS curve shifts and we move along the LM curve

   c) Both IS and LM curve shift

   d) Neither the IS nor the LM curve shifts.

6. Which one of the following is the weakness of real business cycle theory

   a. It doesn't explain why negative supply shock affects the entire economy

   b. It doesn't explain why negative supply shocks happen in the first place

   c. It doesn't explain why unemployment is so high during recessions

   d. It only makes sense for agricultural economies.

7. 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 captial

   d) Capital stock to output

8. Relationship between tax rate and tax revenue depicted curve is called:

a) Dual Decision curve   b) TR curve   c) Laffer Curve   d) Offer curve

9. Who among the following first originated the concept of Rational Expectation

a) Edmund Phelps   b) Robert Lucas

c) John Muth   d) J M Keynes

10. According to new classical model,

a. Unanticipated policy has no effect

b. Only anticipated policy can affect business cycle

c. Anticipated policy has no effect on business cycle

d. None of the above is true

11. The perceived cost of changing the price of a commodity is called :

a) Shoe-leather cost   b) Menu Cost

c) Variable Cost   d) a and b

12. It is impossible to increase the level of output due to monetary policy, if the LM curve is:

a) Perfectly Elastic   b) Perfectly Inelastic

c) Relatively Elastic   d) Relatively Inelastic

13. When there is no capital mobility the BP curve is

a) Negative   b)) Positive   c) Horizontal d) Vertical

14. Staggered contracts are responsible for price rigidity is related to which of the following school of economics:

a) New Classical Economics   b) New Keynesian Economics

c) Neo-Classical Economics   d) Supply Side Economics

15. Robert Lucas is associated with ------------ school of economics

a) New Classical   b) Classical

c) Monetarism   d) New Keynesian

Part .B
Short Answer Questions
Answer any 5 questions
Each question carries 1 weightage

16. Rational Expectation hypothesis

17. Keynes Effect

18. Real Balance Effect.

19. Absolute income hypothesis

20. Write a note on random walk hypothesis.

21. Tobin's Q ratio.

22. Crowding out effect.

23. Write a note on menu-cost model

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

24. What is meant by classical range in LM curve?

25. What is Lucas' surprise supply function?

26. What are the key propositions of New Keynesian Economics?

27. Elucidate how does market clearing occur in Neoclassical labour market.

28. Describe Dual-Decision hypothesis.

29. Discuss the factors affecting labour supply and demand.

30. Briefly discuss the Re-interpretation of Keynes by Clower and Leijonhuvad.

31. New Keynesians admits microeconomic imperfection of sticky price and wages-Discuss

32. Examine the effectiveness of Fiscal and Monetary policy as a stabilization tool.

33. What are menu costs and what do they have to do with sticky prices?

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

34. Explain Improvements of Permanent Income hypothesis over Life Cycle Hypothesis

35. Illustrate General Equilibrium model. Examine neo-classical and Keynesian version of IS LM Model.

36. Critically Evaluate Accelerator theory of Investment.

37. Examine the rationale of adaptive expectation hypothesis and rational expectation hypothesis.

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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

First Semester MA Degree Examination, November 2023

MEC1C03 – Indian Economy, Problems & Policies

(2022 Admission onwards)

Time: 3 hours   Max. Weightage :30

Part A
Answer all Questions
Each question carries a weightage of 1/5

1. Which state has the largest number of factories in India?

    a) Tamil Nadu   b) Gujarat

    c) Maharshtra   d) UP

2. Narasimham Committee-II Submitted their Report in the Year:

    a) 1991   b) 1995

    c) 1998   d) 2017

3. Who determines the bench mark interest rate in India?

    a) RBI Governor   b) Monetary Policy Committee

    c) Finance Minister   d) Chief Economic Advisor to the Government

4. GST was launched in India on

    a) 1st July 2017   b) 1st July 2014

    c) 1st January 2015   d) 1st July 2015

5. Vice Chairman of NITI Ayog is:

    a) Suman Bery   b) Amitab Kant

    c) Prime Minister   d) Parameswaran Iyer

6. India's HDI rank in the year 2021 was?

    a) 107   b) 127

    c) 132   d) 117

7. FRBM act was passed in the year:

    a) 2017   b) 2005

    c) 2014   d) 2003

8. Insurance Regulatory and Development Authority Act passed in the year?

   a) 1995   b) 1999

   c) 2009   d) 2017

9. Which sector has accounted for highest share in the total employment in India?

   a) Primary   b) Secondary

   c) Tertiary   d) None of the Above

10. Which district in Kerala had highest number of emigrants in the year 2018?

    a) Kollam   b) Pathanamthitta

    c) Malappuram   d) Kottayam

11. Which one is not a measure of Inequality?

    a) Lorenz Curve   b) Gini Coefficient

    c) Theil Index   d) WDI Index

12. Who is the present chief economic advisor to the Govt. of India?

    a) Anantha Nageswaran   b) Arvind Subramanian

    c) Amartya Sen   d) Arvind Virmani

13. The share of primary Sector in India's GDP in the year 2019-20 was:

    a) 17.26   b) 27.17

    c) 55.57   d) 44.58

14. National Account Statistics related aggregates are published by?

    a) CSO   b) NSO

    c) Office of Economic Advisor   d) NITI Ayog

15. Which sector has registered the highest growth rate during the post economic reforms period?

    a) Industry   b) Agriculture

    c) Manufacturing Sector   d) Service Sector

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

16. Define Relative Poverty.

17. Write a note on Washington Consensus.

18. What is Kerala Model of Development?

19. Write a short note on Food Security Act.

20. What do you know about Farmer's Indebtedness?

21. Compare GDP at MP and GDP at FC

22. Write a short note on Make in India Programme.

23. What is UPSS?

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

24. Assess the growth of Indian economy during the post economic reforms period.

25. Anlyse the growth of service sector in India.

26. Show the extent of inequality in India during the post economic reforms period

27. Compare the methodologies of Tendulkar and Rangarajan committee to estimate poverty in India

28. Discuss the major Trade Policy Reforms.

29. Analyse the recent trends in the production and productivity of Indian Agriculture.

30. Explain the reasons for Industrial backwardness in India

31. Examine the trends in the foreign investment inflow in to India during the post economic reforms period.

32. Discuss Inequality among different social groups in Kerala.

33. Show the Extent of fiscal crisis in Kerala.

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

34. Analyse the policies and growth performance of the Indian industrial sector during the post economic reform period.

35. Examine the regional differences in Growth and development in India

36. Outline the major features of Migration from and Remittance to Kerala. Analyse its impact on Kerala Economy.

37. Define the features of Kerala model of development. Analyse the role of policies and institutions behind such a developmental experience.

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Reg. No:...........................

Name: ....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

First Semester MA Degree Examination, November 2023

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. $\lim_{x \to 5} \frac{x^2 - 25}{x - 5}$ is

   a) 0   b) 10   c) 1   d) none of these

2. If $y = 3x^4 - \cos x$, then $\frac{dy}{dx}$ is

   a) $8x - \cos x$ b) $8x + \cos x$ c) $12x^3 + \sin x$ d) $12x^3 + \cos x$

3. The degree of the differential equation $t^2 \left(\frac{d^2 s}{dt^2} \right)^2 - st\frac{ds}{dt} = s$ is

   a) 2   b) 1   c) 3   d) 4

4. The maximum value of the probability of an event is

   a) -1   b) 0   c) 1   d) 2

5. If A and B are disjoint events, then $P(A \cap B)$ is

   a) $P(A) + P(B)$ b) $P(A). P(B)$ c) 0   d) 1

6. The variance of a Poisson distribution with parameter θ is

   a) θ b) $\sqrt{\theta}$ c) 1   d) θ^2

7. In R programming, the function class () belongs to which library?

   a) stats   b) base   c) utils   d) class

B. **Fill in the Blanks**

8. $\int e^{-4x} dx$ is ....

9. If the occurrence of an event precludes the occurrence of all others, then the events are said to be ......

10. Variance of a random variable X is defined to be ...... moment.

11. R command for drawing a random sample of size n from Poisson distribution with parameter 2.5 is ....

C. State True or False

12. The set of all possible outcomes of a random experiment is called event.

13. The mean of a random variable is the second row moment.

14. The variance of a $B(n, p)$ random variable is npq.

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.

PART – B
Short answer questions
Answer any 5 questions.
Each question carries weightage 1.

16. Find $\frac{dy}{dx}$ if $y = 5x^4 - 3x^3 + 9x^2 - 8x + 9$

17. Integrate $\frac{3x^3 - 6x^2 - 7x + 9}{x}$ w.r.t x.

18. Define differential equation. Give an example.

19. State addition theorem and multiplication theorem of probability for any 2 events A and B .

20. Define random variable.

21. What is meant by probability distribution of a random variable?

22. Define binomial distribution.

23. Write down any three built in functions in R and their uses.

PART – C
Short Essay Questions
Answer any 7 questions.
Each question carries weightage 2

24. Find the derivative of the function $y = \frac{x^3 + 1}{(x+1)^2}$.

25. Find the marginal cost from the total cost (TC) function and evaluate it at Q=3 and Q=12. $TC = 9Q^2 + 17Q + 50$

26. Find $\int_0^\infty 5e^{-2x} \, dx$.

27. Solve $\frac{dy}{dx} = x^2 + 2$.

28. Define cumulative distribution function of a random variable. What are its properties?

29. a) Define mathematical expectation.

b) If it rains, a taxi driver can earn Rs 600/- per day. If it is fair, he may lose Rs. 100/- per day. If the probability of rain is 0.4, what is his expected earning?

30. What is meant by conditional probability? State multiplication theorem of probability for two events A and B. What makes the difference if A and B are i) mutually exclusive ii)independent

31. A speaks truth in 60% cases and B in 70% cases. In what percentage of cases are they likely to contradict each other in stating the same fact?

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. Consider a monopolist who has a linear demand function $P = 200 - 4Q$ and a linear total cost function $C = 100 + 4Q$. Determine the optimum level of output, price, total revenue, total cost and profit under profit maximisation.

35. Write a short note on Cobb Web model and its applications in economic sciences.

36. a) State Baye's theorem.

b) The probabilities of A, B and C becoming CEO of a company are 4/9, 2/9 and 1/3 respectively. The probability that a bonus scheme will be introduced if A,B and C become CEO are 3/10, ½ and 4/5 respectively. What is the probability that the CEO appointed is A, if the bonus scheme is known to be introduced?

37. Fit a binomial distribution to the following data.

X : 0 1   2   3   4   5

F : 6 20   28   12   8   6