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1M1N25190 (Pages : 3) Reg. No:.........................

Name: ....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

First Semester MA Economics Degree Examination, November 2025

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. As per the risky choices of consumer behaviour, people will generally look into:
   (a)Marginal Utility (b) Expected Utility
   (c) Marginal Income (d)Expected Income
2. Which one of the following may be treated as the ne-cardinalist quasi measurement of utility?
   (a)St. Petersburg Paradox (b)Neumann-Morgenstern Index
   (c) Freidman-Savage Hypothesis (d)Markowitz Hypothesis
3. Which one of the following represents a case of negative network externalities?
   (a)Linear Expenditure Systems (b)Bandwagon Effect
   (c) Snob Effect (d)Veblen Effect
4. The distributed lagged models of demand is the subject matter of:
   (a)Pragmatic Demand Functions (b) Distributed Demand Functions
   (c) Dynamic Demand Functions (d)Linear Expenditure Systems
5. The output elasticity of an input under the Cobb-Douglas production function is:
   (a)Constant (b) Unity
   (c) Increasing (d)Diminishing
6. In CES production function, the co-efficient of elasticity of substitution is always:
   (a)Unity (b)Zero
   (c)Increasing or diminishing as the case may be (d)Constant
7. If the marginal productivity of labour is greater than the marginal productivity of capital, then the technological progress is said to be:
   (a)Capital-saving Technological Progress
   (b) Labour-saving Technological Progress
   (c) Capital-deepening Technological Progress (d)Either (a) or (c)

8. The situation where it is cheaper for a firm to produce various products jointly than to produce independently is the case of:

(a)Economies of Scale b) Economies of Scope

(c) Break-even Point (d)Optimum Point

9. The difference between the determined output and the output at the minimum of long-run average cost is called:

(a)Potential Capacity (b)Reserve Capacity

(c) Optimum Capacity (d)Excess Capacity

10. In oligopoly, which one of the following has a discontinuous portion?

(a)AR Curve (b) MR Curve

(c) AC Curve (d)MC Curve

11. Which one of the following represents a formal association of oligopoly firms which seeks to maintain monopoly power by controlling supply and price?

(a)Perfect Oligopoly (b)Price Leadership

(c)Cartels (d)Open Oligopoly

12. The game in which players can negotiate binding contracts that allow them to plan joint strategies is called:

(a)Cooperative Game (b) Non-cooperative Game

(c) Zero-sum Game (d)Non zero-sum Game

13. The equilibrium in game theory at which the maximin equals the minimax is called:

(a)Nash Equilibrium (b) Zero-sum Position

(c) Prisoners' Dilemma (d)Saddle Point

14. The book 'Barriers to New Competition' was written by:

(a)William J. Baumol (b) J.S. Bain

(c) Franco Modigliani (d)Robin Marris

15. Bain's long-run average cost (LAC) is:

(a)U-shaped (b) L-Shaped

(c)Vertical (d)Horizontal

(15 x 1/5 = 3 Weightage)

Part-B

Short Answer Questions

Answer any 5 questions

(Weightage for each question: 1. Total weightage: 5)

16. What do you mean by risk diversification?
17. What are positive externalities?
18. Mention elasticity of substitution.
19. Define homogenous production function.
20. Explain the least cost criterion.
21. Mention collusive oligopoly.
22. What is limit pricing?
23. What do you mean by zero-sum game?

(5x 1 = 5 Weightage)

Part-C

Short Essay Questions

Answer any 7 questions

(Weightage for each question: 2. Total weightage: 14)

24. Explain the St. Petersburg Paradox.
25. Define risk. Explain the major methods for risk avoidance.
26. Explain the Bandwagon effect and its implications in consumer behaviour.
27. Give a brief account of the distributed log models of demand with special reference to Houthakker and Taylor.
28. Critically examine the CES production function.
29. Explain how technological progress is illustrated in an economy?
30. Mention economies of scope and its importance.
31. List out the major characteristics of oligopoly.
32. Explain Sylos-Labini's model of limit pricing.
33. Mention prisoners' dilemma and its practical implications in decision-making.

(7x 2= 14 Weightage)

Part-D

Essay Questions

Answer any 2 questions

(Weightage for each question: 4. Total weightage: 8)

34. Explain how choices are made under conditions of uncertainty within the framework of the Neumann-Morgenstern analysis.
35. Mention Cobb-Douglas production function and its basic theoretical framework.
36. Critically examine Cournot model of duopoly.
37. Explain Baumol's sales maximisation hypothesis and its practical implications.

(2x 4= 8 Weightage)

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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

First Semester MA Economics Degree Examination, November 2025

MEC1C02 - Macro Economics Theories and Policies - I

(2022 Admission onwards)

Time: 3 hours Max. Weightage : 30

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

1. With reference to ISLM, fiscal expansion will shift
   a) The IS curve to the left b) The IS curve to the right
   c) The LM curve to the left d) The LM curve to the right
2. Crowding out is more likely to occur when -----
   a) The demand for money is interest insensitive and private sector spending is largely interest sensitive.
   b) The demand for money is interest sensitive and private sector spending is largely interest insensitive.
   c) Both the demand for money and private sector spending are interest sensitive.
   d) Both the demand for money and private sector spending are interest in sensitive.
3. The initial effect of an increase in money supply is to
   a) Increase the interest b) Increase the price level
   c) Decrease the price level d) Decrease the interest rate
4. Accelerator theory of investment is the ratio of:
   a) Change in income to change investment
   b) Change in investment to change in income
   c) Change in income to change in interest
   d) None of the above

5. According to Keynes Absolute Income Hypothesis, what is the primary determinant of consumption?

a) Future expected income b) Relative income

c) Current Disposable income d) Wealth

6. An increase in output and employment in the economy which arise out of increasing consumption demand and rise in real wealth is called

a) Demonstration effect b) Keynes effect

c) Income effect d) Pigou effect

7. The classical economists believed that the demand for labour is a function of

a) Total money wages b) Money wage rate

c) Total real wages d) Real wage rate

8. In the structure of IS LM Model which of the following bring together the product and money market.

a) Interest rate b) Taxes

c) Exchange rate c) None of the above

10. According to Monetarists, inflation is caused by

a) Increase in government expenditure b) High wages

b) Increase in money supply d) supply shocks

11. New Keynesians emphasize the role of which of the following in explaining price rigidity?

a) Perfectly flexible prices b) Monopolistic competition and menu costs

c) Rational expectations d) Flexible labor markets

12. An increase in the labour productivity will generally

a) Increase the demand for labour b) Decrease wages

c) Shift the supply curve to the left d) Cause unemployment

13. Tobin's Q ratio is the ratio of

a) Market value of capital to GDP

b) Market value of a firm's assets to their replacement cost

c) Replacement cost of assets to market value

d) Book value of assets to replacement cost

14. A business cycle is

a) Always predictable b) A random economic event

c) A regular fluctuation in economic activity over time

d) Only caused by government policy

15. In new Classical model fluctuations in out put are mainly caused by

a) Demand shocks
b) Sticky wages
c) Nominal rigidities
d) Real shocks

(15 x 1/5 = 3 weightage)

Part B (Short Answer Questions)
Answer any five questions
Each questions carries a weightage of 1

16. Tobin's Q ratio
17. Fiscal policy
18. Money illusion
19. Pigou effect
20. Political business cycle
21. Efficiency wage theory
22. Kuznets consumption puzzle
23. Rational expectation

(5x1 = 5 weightage)

Part C (Short Essay Questions)
Answer any seven questions
Each question carries 2 weightage

24. Examine the accelerator theory of investment.
25. Explain the Keynesian effect in ISLM model.
26. Why supply curve of labour is backward bending.
27. Discuss the causes of business cycle according to real business cycle theories.
28. Write a note on random walk hypothesis.
29. List out the major ideas of monetarism
30. Discuss Multiplier acceleration interaction model of Business Cycle.
31. Examine the reinterpretation of Keynes by Clower and Leijonhuvad.
32. Explain how Keynesian labour market model leads to under employment equilibrium.
33. Examine insider outsider model.

(7 x 2 = 14 weightage)

Part D (Essay Questions)
Answer any two questions
Each question carries 4 weightage

34. Discuss life cycle hypothesis and evaluate its effectiveness in analysing the saving and consumption pattern. How far it deviates from permanent income hypothesis.

35 Analyse the effectiveness of fiscal and monetary policy using ISLM model.

36 Examine the features and prepositions of new classical macroeconomics.

37. Compare and contrast the Classical and Keynesian views of the labour market.

(2x4 = 8 weightage)

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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

First Semester MA Economics Degree Examination, November 2025

MEC1C03 - Indian Economy, Problems & Policies

(2022 Admission onwards)

Time: 3 hours Max. Weightage : 30

Part-A
Answer all questions
Each questions carries a weightage of 1/5

A. Multiple Choice

1. The Tendulkar Committee is related to:

   a) Industrial reforms b) Poverty estimation c) Agricultural pricing d) Fiscal deficit

2. The concept of "Inclusive Growth" in India became prominent during which Five Year Plan?

   a) Ninth Plan b) Tenth Plan c) Eleventh Plan d) Twelfth Plan

3. Which one of the following best captures the WTO's impact on Indian agriculture?

   a) Greater government control over exports b) Reduction in farm subsidies and exposure to global prices c) Increased role of public procurement d) Abolition of MSP system

4. India's Balance of Payments consists of:

   a) Current account and capital account b) Revenue account and fiscal account
   c) Export and import duties d) Domestic savings and investments

5. In Kerala, migration and remittances mainly contribute to growth in:

   a) Agriculture b) Manufacturing c) Service sector d) Defence expenditure

6. The "Kerala Model of Development" is primarily characterised by:

   a) High per capita income and low inequality
   b) High social development with moderate income levels
   c) Export-led industrialization d) Heavy dependence on natural resources

7. Which committee recommended the introduction of GST in India?

   a) Kelkar Committee b) Chelliah Committee
   c) Vijay Kelkar Task Force d) Rangarajan Committee

8. Disinvestment policy in India mainly relates to:

   a) Reducing imports b) Selling government stake in public enterprises
   c) Encouraging cooperative farming d) Promoting exports

9. The Index of Industrial Production (IIP) in India is published by:

a) RBI b) MoSPI c) NITI Aayog d) Ministry of Finance

10. Match List I with List II and choose the correct option:

List - I	List - II
A. Food Security Act	1. 1960s
B. Green Revolution	2. 1991
C. LPG Reforms	3. 2015
D. NITI Aayog	4. 2013

a) A-1 B-2 C-3 D-4

b) A-2 B-3 C-4 D-1

c) A-4 B-1 C-2 D-3

d) A-3 B-4 C-1 D-2

11. The Head Count Ratio (HCR) is used to measure:

a) Inequality b) Poverty c) Inflation d) Employment

12. Fiscal Responsibility and Budget Management (FRBM) Act mainly deals with:

a) Food Subsidy b) Fiscal Deficit c) Rural Employment d) GST Collection

13. Which one of the following is not a component of India's foreign exchange reserves?

a) SDRs b) Foreign currency assets c) Gold reserves d) Trade deficit

14. Policymakers track core inflation separately from headline inflation mainly because **it:**

a) Excludes volatile food and fuel prices b) Includes only manufactured goods

c) Excludes all traded goods d) Measures agricultural output

15. Which state in India was the first to introduce decentralized planning through the People's Plan Campaign?

a) Kerala b) West Bengal c) Maharashtra d) Tamil Nadu

Part B

Answer any Five questions

Each questions carries weightage of 1

16. Briefly explain the main reasons for regional imbalances in India's economic development?
17. What are the main criticisms of poverty estimation methods in India?
18. Explain the significance of trade policy reforms since 1991?
19. Discuss the role of remittances in Kerala's economy?
20. Write a note on the recent trends in foreign investment in India?
21. Write a note on Pradhan Mantri Viksit Bharat Rozgar Yojana (PM - VBRY)?

22. What is meant by Balance of Payments deficit?
23. Explain the concept of "effective literacy rate"?

Part C
Answer any Seven questions
Each question carries a weightage of 2

24. Explain the nature and reasons for agricultural stagnation in India?
25. Explain the structural changes in India's employment pattern since 1991?
26. Evaluate the role of PDS and TPDS in ensuring food security?
27. Explain the concept of inclusive growth with reference to India's development experience?
28. Discuss the causes and consequences of Kerala's fiscal crisis
29. Explain the significance of employment guarantee schemes in poverty eradication in India?
30. Examine the challenges and prospects of service-led growth in the Indian economy
31. Write a note on the Recent Union Budget in the light of Sustainable Development Goals (SDGs)?
32. Explain the role of NITI Aayog in cooperative federalism?
33. Write a note on the second generation of economic reforms?

Part D

Answer any two questions
Each question carries a weightage of 4

34. Explain the major industrial policies of India after 1991 and their implications?
35. Critically evaluate the relationship between economic growth and social development in contemporary India?
36. Analyze the achievements and limitations of poverty alleviation programmes in India?
37. Discuss the achievements and challenges of the Kerala Model of Development?

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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

First Semester MA Economics Degree Examination, November 2025

MEC1C04 - Quantitative methods for Economic analysis I

(2022 Admission onwards)

Time: 3 hours Max. Weightage : 30

(Use of scientific calculator is permitted)

Part A
Answer All Questions.
Each carries Weightage 1/5

1. The fourth derivative of X^4 is ....?
2. If a is an extreme point such that $f'(a) = 0$ and $f''(a) > 0$, then a is.........point.
3. $\lim_{x \to 0} \frac{1}{x} =$ ....?
4. For the demand function qp =1, the price elasticity of demand is ...?
5. The indefinite integral of MC gives ....?
6. $\int_0^1 x dx =$ ....?
7. The order of difference equation $Y_2 - 3Y_1 + Y_0 = 0$ is ....?
8. The general solution of $\frac{dy}{dx} = 10x$ is........?
9. If events A and B are disjoint, then $P(A \cap B)$is ....?
10. If the chance of male birth is 0.55 then the chance of female birth is ....?
11. If the sample space of a random experiment is S = {a,b,c}, then which of the following is valid

    a) $P(a)=P(b)=P(c) = \frac{1}{2}$ b) $P(a)=P(b)=P(c) = \frac{1}{3}$

    c) $P(a)=P(b)=P(c) = \frac{1}{4}$ d) $P(a)=P(b)=P(c) = 1$
12. If F(x) is the distribution function of a continuous random variable, then the first derivative of F(X) gives ....?
13. Which of the following is true for a Poisson Distribution?

    a) AM = Standard Deviation b) AM = Variance

    b) AM > Variance d) AM < Variance
14. If E(X) = 5, then E (2X + 10) = ...?
15. If X and Y are independent random variables then f(x,y) =?

    a) $f_1(x) + f_2(y)$ b) $f_1(x) * f_2(y)$

    b) $f_1(x) / f_2(y)$ d) $f_1(x) - f_2(y)$

(15 * 1/5 = 3 weight)

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

16. Find the elasticity of demand if the demand function is $q = 100 - 2p$. Comment on elasticity when price is 50.
17. If for a monopolist $TR = 60Q - 2Q^2$ and $TC = Q^2 + 6Q$, find the equilibrium commodity
18. If the TU function of a consumer is $U = x^2y^3$ and budget constraint is $2x + 5y = 80$, find the equilibrium purchase levels of two commodities.
19. Find $\int logx dx$.
20. State classical definition of probability. Mention the demerits of classical definition.
21. The chances of two horses A and B winning a race is 0.4 and 0.3 respectively. Find the chance that at least one of them will win a race if they are running i) same race ii) different races
22. Define raw and central moments
23. Explain various data imputing methods used in R.

(5*1 = 5 weight)

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

24. Find the maxima and minima of, $f(X) = X^3 - 9X^2 + 24X - 50$
25. Explain cobb Web model.
26. Derive the demand function of a commodity whose price elasticity is a constant.
27. If the demand and supply function of a commodity is $Qd = 60 - 2p$ and $Qs = 20 + 3p$ respectively, find the producers surplus and consumers surplus?
28. State axiomatic definition of probability. An unbiased coin is tossed twice, let A denote the event of getting head in first trial and B that in second trial. Discuss independence of A and B
29. The pmf of a random variable is

Variable value	1	2	3	4	5
P(X = x)	k	2k	3k	4k	5k

Find the values of k, $P(1 \le x < 4)$ *and* $E(x)$

30. If $f(x)\begin{cases} \frac{1}{2}(x+1), -1 < x < 1 \\ 0 \quad , otherwise \end{cases}$ represents the probability density of a random variable x, find E(x) and V(x)

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31. There are three bags with the following combination of white and black balls

Bag 1: 4 White, 6 Black   Bag 2: 5 White, 5 Black   Bag 3: 6 White, 4 Black

A bag is selected at random and then a ball is selected from it. Find the probability

1) that the selected ball is white. 2) the selected bag is second if the selected ball is white

32. Define Binomial distribution and major properties of Binomial distribution.

If for Binomial distribution AM = 4 and Variance is 3, find (*i*) $P(x \le 3)$ (*ii*) $P(4 \le x < 7)$

33. Write a note on R programming language. Explain different built-in functions used in R.

(7*2 = 14 weight)

Part D
Short Essay Questions.
Answer any 2 Question Each carries weightage 4

34. a) Explain different rules of integration, each with an example

b) Explain constrained optimization with Lagrange Multipliers.

35. a) Explain the Stability conditions of $Y_t = b^t$.

b) Explain first order linear difference equation. Solve $\frac{dy}{dx} + \frac{y}{x} = x^3$

36. a)The joint pdf of X and Y is

Y↓ X→	0	1	2
1	0.06	0.12	0.07
2	0.09	0.15	0.11
3	0.10	0.18	0.12

Find 1) the marginal pmf of X and Y

b)State Bay's Theorem. A man is known to speak the truth 3 out of 4 times. He throws a die and reports that it is a six. Find the probability that it is actually a six.

37. a) An objective test consists of 10 questions and four answers to each question of which one is correct. A candidate is completely unprepared and used random techniques to answer questions. If X denote the number of correct questions scored by a candidate, obtain the pmf of X Find probability that he will get 1) 5 correct answers. 2) no correct answer

b) Define Poisson distribution. If X has Poisson distribution such that P(X=1) = P(X=2), find the mean and variance of X. Also find $P(X > 3)$ *and* $P(X = 0)$