1B1N21044 (Pages : 3) Reg. No:.....

Name: .....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

First Semester MA Economics Degree Examination, November 2021

MEC1C01 - Micro Economics Theory and Applications – I

(2019 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. Cournot's duopoly model leads to
   a) Unstable equilibrium b) Stable equilibrium
   c) Partial Equilibrium d) General equilibrium
2. Prisoner's dilemma relates to
   a) Non-zero sum game b) Zero-sum game c) both of the above d)None of the above
3. A rational consumer choosing between uncertain events will make a choice on the basis of
   a) Expected monetary benefits
   b) Expected utility
   c) Expected prices
   d) All the above
4. In Sylos model of limit pricing , demand is
   a) Unitary elastic b) Perfectly elastic c) Perfectly inelastic d) indeterminate
5. The demand for rare paintings and rare stamps etc is explained by which among the following effect
   a) Bandwagon effect b) Snob effect
   c) Price effect d) Veblen effect
6. A Cartel aims at maximising
   a) Industry profit b) individual profit
   c) Share of output d) All the above
7. Which among the following is a logical extension of Cournot model
   a) Bertrand model b) Stackelberg model
   c) Chamberlin model d) Edgeworth model
8. Limit price refers to
   a) Price which maximizes the profits of the firm
   b) Price which prevents the entry of new firms
   c) Price at which firm just starts earning a surplus over cost
   d) None of the above

9. The marginal products of Capital and labour in the Cobb—Douglas production function can be obtained by
   a) The second order partial derivatives of Q with respect to Capital K and labour L
   b) The first order partial derivatives of Q with respect to Capital K and Labour L
   c) Total derivatives of Q with respect to Capital K and labour L
   d) All of the above
10. The CES production function assumes that the elasticity of substitution is
   a) One b)Zero c)Constant d)None of the Above
11. In the kinked demand Curve it is assumed that
   a) The fall in price will be matched While the rise in price will be unmatched
   b) The fall in price will be unmatched while the rise in price will be matched
   c) The fall in output will be matched while the rise in price will be unmatched
   d) The fall in output will be unmatched while the rise in price will be matched
12. A situation in which each player chooses an optimal strategy , given the strategy chosen by the other is known as
   a) Prisoners Dilemma b) Dominant strategy c) Nash equilibrium d) Mixed strategy
13. The learning Curve is convex to the origin because
   a) Average Cost decline at a decreasing rate
   b) Average Cost declines at an increasing rate
   c) Marginal cost declines at a decreasing rate
   d) Marginal cost declines at an increasing rate
14. A situation where there is more than one possible outcome to a decision and the probability of each specific outcome is known or can be estimated is
   a)Certainty b) Risk c)Uncertainty d)Pay off matrix
15. One of the important advantage of the Characteristic approach to consumer theory over the traditional demand theory is
   a) Substitution among goods can be easily explained in terms of some common characteristics of the goods
   b) Some characteristics such as taste and style are subjective and can be measured explicitly
   c) Both of the above.
   d) None of the above

PART B
Short Answer Questions
Answer any 5 (Weightage for each Question 1. Total Weightage -5)

16. Write a short note on Technological progress
17. What do you mean by Veblen effect
18. Describe Markowitz Hypothesis
19. Discuss the various methods for the measurement of risk
20. Brief Williamson's model.
21. What is meant by Linear Homogeneous Production Function'?
22. Briefly explain Economies of Scope and its measurement
23. What are the different methods for reducing risk and uncertainty?

PART C
Short Essay Questions
Answer any 7 (Weightage for each Question 2. Total Weightage -14)

24. .Examine the Characteristic approach to consumer theory
25. Does the Kinky demand curve solution offer a satisfactory explanation of price and output decision under oligopoly?
26. Explain Prisoner's dilemma and how it can be used to explain oligopolistic behaviour?
27. What are the main types of Collusive oligopoly?
28. Explain how choices are made under risky and uncertain situations under N-M utility theory.
29. Examine Modern theories cost and explain how it differs from the traditional cost theory
30. Discuss the theory of Sales Revenue maximisation model of Baumol
31. Make a note on the Zero-sum game, non-zero sum game , dominant strategy and mixed strategies
32. Differentiate Bandwagon effect from Snob effect?
33. Describe the Friedman-Savage hypothesis

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

34. Discuss the duopoly models of Cournot and Bertrand as Non-Collusive oligopoly models
35. Examine the pragmatic approach to demand analysis
36. Discuss CES production function and its properties and how it differs from Cobb-Douglas production function
37. Critically examine the Limit pricing theories of Bain and Sylos Labini?

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Name: .....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

First Semester MA Economics Degree Examination, November 2021

MEC1C02 - Macro Economics : Theories and Policies – I

(2019 Admission onwards)

Time: 3 hours Max. Weightage : 30

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

1. Which of the following expectations will not increase the MEC for a proposed capital addition?

   (a) Firms expect an increase in the selling price of the goods because of increased demand

   (b) Firms expect a larger inflow of funds as a result of inflation

   (c) Firms expect production costs to increase

   (d) Firms expect a reduction in corporate income taxes

2. If the MPC is a constant, then the consumption function will be

   (a) a curve convex to the horizontal axis (b) a straight line

   (c) a curve concave to the horizontal axis (d) None of the above

3. The accelerator model predicts that the changes in investment is determined by the changes in

   (a) inventory (b) capital (c) interest (d) output

4. Vertical 'LM' curve represents:

   (a) interest elasticity of the demand for money

   (b) interest inelasticity of the demand for money

   (c) perfectly elastic demand for money

   (d) none of these

5. Consider the following LM and IS functions;

   LM: $Y = 75 + 10\,i$

   IS: $Y = 135 - 20\,i$

   Which of the following are the equilibrium income and interest rate respectively?

   (a) 90 and 2 (b) 95 and 2

   (c) 100 and 3 (d) 110 and 3

6. Under Keynesian unemployment, if there is an increase in money wages:

   (a) both output and prices rise (b) both output and prices fall

   (c) output increases and price falls (d) output falls and price increases

7. Which one of the following statements is correct?

According to the classical economist, the existence of unemployment at any time is only of temporary nature and can be considered as

(a) structural unemployment (b) cyclical unemployment

(c) frictional unemployment (d) disguised unemployment

8. The interaction between the multiplier and the accelerator may lead to

(a) trade cycles (b) a reduction in the demand for exports

(c) economic growth (d) none of the above

9. The dominant way of thinking about business cycles is the

(a) real business cycle theory (b) impulse propagation mechanism

(c) deterministic AS-AD system (d) political business cycles

10. Real business cycle theory is associated with

(a) Mankiw and Romber (b) Hicks (c) Samuelson (d) Goodwin

11. Under the supply side economics

(a) there will a sharp reduction in tax rate (b) interest rate will be reduced

(c) wage rates will be lowered (d) all the above

12. Which of the following is applicable to Milton Friedman?

(a) criticized quantity theory (b) developed contra quantity theory

(c) restatement of the quantity theory

(d) the first economist who stated the quantity theory

13. According to New Classical economists, unemployment is caused by

(a) real wage falling (b) lack of effective demand

(c) rise in money wages (d) market failure

14. Which of the following attacked Keynesian policy prescriptions?

(a) monetarists (b) New Classical economics

(c) supply side economists (d) all the above

15. Under classical assumptions, the aggregate supply curve of an economy is

(a) upward sloping (b) downward sloping

(c) a horizontal straight line (d) a vertical straight line

(15 x 1/5 = 3 weightage)

Part B (Short Answer Questions)

Answer any five questions

Each questions carries a weightage of 1

16. Random walk
17. Inventory investment
18. Crowding out
19. Pigou effect
20. Underemployment equilibrium

21. Depression
22. Intertemporal substitution of leisure
23. Menu cost

(5 x 1 = 5 weightage)

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

24. Explain the essential elements of the life cycle hypothesis of consumer behaviour.
25. Explain the relationship between output and investment implied by the accelerator theory. How do costs of adjustment affect the model?
26. Why does the IS curve slope downward?
27. Describe the possible effects of falling prices on equilibrium income using IS-LM model.
28. Explain the labour market equilibrium.
29. What are the factors that will lead to shift in the labour demand curve?
30. Explain the political business cycle theory.
31. What are deep parameters, in the sense used by proponents of real business cycle theory?
32. Explain the insider-outsider model.
33. Describe the reinterpretation of Keynes by Clower and Leijonhufvud.

(7 x 2 = 14 weightage)

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

34. In the neoclassical model of business fixed investment, under what conditions will firms find it profitable to add to their capital stock?
35. According to the IS-LM model, what happens to the interest rate, income, consumption, and investment under the following circumstances?
    (a) the central bank increases the money supply; (b) the government increases government purchases; (c) the government increases taxes; (d) the government increases government purchases and taxes by equal amounts.
36. What are the essential differences between the classical and Keynesian theories of aggregate supply?
37. Compare monetarist and Keynesian views on the proper conduct of fiscal policy.

(2 x 4 = 8 weightage)

1B1N21046 (Pages : 3) Reg. No:.....

Name: .....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

First Semester MA Economics Degree Examination, November 2021

MEC1C03 -. Indian Economy, Problems & Policies

(2019 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. In the case of Gini coefficient, if G = 0 shows:
   a)Perfect inequality b)Perfect Equality c)Matter of indecision d) None of these
2. The decentralization system was recommended by which committee:
   a)C.Rajagopalachari b)C.Rangarajan c) Balwant Rai Mehta d)Ashok Mehta
3. Which Committee's recommendations are being followed for estimating Poverty Line in India?
   a) Lakdawala Committee b) Chelliah Committee
   c) Chakravorty Committee d) Dutt Committee
4. Priority lending by banks in India constitutes the lending to:
   a)Housing b)Renewable energy c)Export credit d)All of the above
5. The book "Theory of Justice" was written by:
   a)Amartya Sen b)Thomas Piketty c)Abhijit Banerjee and Ester Duflo
   d)Michael Kremer
6. Lorenz curve represents:
   (a) The degree of specialization and growth within countries
   (b) The degree of equity in income distribution
   (c) The comparative advantage of trading partners and the terms of trade
   (d) The allocative and technical efficiency of markets
7. India's rank in Global Hunger Index 2021 stands at:
   a)103 b)94 c)101 d)105

8. Inflation is measured in India on the basis which index?

a)Whole sale price index b) Consumer price index

c)Retail price Index d)Market mechanism

9. As per the Census 2011, Kerala's density of population is:

a)930 per sq.km b)865 per sq.km c)780 per sq.km d)860 per sq.km

10. Fiscal deficit in the budget means:

(a) Capital deficit plus revenue deficit

(b) Budgetary deficit plus the net borrowings of the government

(c) Revenue deficit plus the net borrowings of the government

(d) Primary deficit minus capital deficit

11. Economic Review is published by:

a)Ministry of Finance, GoI b)State Planning Board, GoK

c)NITI Aayog d)Ministry of Commerce & Industry, GoI

12. 'Sunrise Industries' are Industries:

(a) which have high growth potential and meet further requirements of the economy

(b) which improve export performance of the country

(c) which are small-scale industries

(d) which are well-developed and have ample scope for further development

13. Disguised unemployment was common in:

a)Primary sector b)Secondary sector c)Tertiary Sector d)None of These

14. World Trade Organization was established on:

a)1 April 1995 b)1 January 1948 c)1 January 1996 d)1 January 1995

15. Which one of the following institutions is responsible for designing CAR?

a)BIS b)World Bank c)ADB d)IMF

Part B
Answer any 5 questions
Each questions carries weightage of 1

16. Explain the main highlights of fiscal policy reforms in India.
17. Briefly explain the Agricultural price policies in India.
18. What is LPG?
19. What are the important reasons for rising Non-Performing Assets in India?
20. Explain the recent BOP situation in India.

21. Explain the nature and consequences of agricultural stagnation in Kerala.
22. Write a short note on recent methodology of Poverty estimates in India.
23. Describe the growth and contribution of Service sector since 1991.

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

24. Write a short note on the sustainability issues of the service led growth in India.
25. Explain the important channels of monetary transmission.
26. Critically analyze the growth and pattern of industrial production in India.
27. Explain sectoral composition of Kerala Economy.
28. Elaborate the main features of New Economic Policy 1991.
29. Write a short note on Inclusive growth in India.
30. Explain the main reasons for fiscal crisis in Kerala.
31. Write a short note on Kerala model of development.
32. Explain the growth performance of India's external sector.
33. Write a short note on income and wealth inequality in India.

Part D
Answer any 2 questions
Each question carries a weightage of 4

34. Critically analyze the impact of WTO on Indian Agriculture.
35. Explain the issues of economic growth versus development discussion in the contemporary India.
36. Explain the important Industrial policies in India since independence.
37. Briefly explain the achievements and challenges to democratic decentralization in Kerala.

1M1N21047 (Pages : 4) Reg. No:.....

Name: .....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

First Semester MA Economics Degree Examination, November 2021

MEC1C04 - Quantitative Methods for Economic Analysis – I

(2019 Admission onwards)

Time: 3 hours Max. Weightage : 30

PART – A

Answer all questions.

Each questions carries weightage 1/5

A. Multiple choice

1. ..... is estimated by the area between the demand curve and the price which is actually paid.

   (a) Consumer's surplus (b)Producer's surplus

   (c) Marginal cost (d) Marginal revenue

2. ..... is an algebraic method for solving a Linear Programming Problem

   (a) Vogel's Approximation Method (b) OLS Method

   (c) Simplex Method (d) Graphical Method

3. $\int (x+2)\,dx$ is

   (a)$\frac{x^2}{2}+C$ (b) 2x +1 (c)$\frac{x^2}{2}+2x+C$ (d)$\frac{x^2}{2}+2$

4. The maxima /minima of the function $y = x^2 + 4x + 1$is

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

5. The probability of a piece of equipment to run successfully during a month is 0.82. What is the probability that it will fail during the month?

   (a)0.82 (b) 0.18 (c)cannot determine (d) 1

6. Two events A and B are said to be independent if $P(A \cap B) =$

   (a) P(A) + P((B) (b) P(A|B) (c) P(A)P(B) (d) P(A) + P(B) – P(A ∪ B)

7. What is the expected value of the numbers obtained when a die is thrown.

(a) 3.5 (b)7/3 (c) 21/2 (d) 4.5

8. One card is drawn from a pack of 52 cards. What is the probability that it is either a king or queen?

(a)$\frac{4}{52}$ b)$\frac{2}{13}$ (c) $\frac{13}{52}$ (d) $\frac{1}{52}$

9. If A and B are two non-intersecting subset of S, the P(A∪B) = ...

(a)P(A) + P(B) – P(A∩B) (b) P(A) P(B) (c) P(A) + P(B) (d) P(A|B)/P(B)

10. Write the maxima/minima of the function y = x^2 + 4x + 5.

(a)Min value is 4 (b) Max value is 4 (c) Min value is 2 (d) Maximum value is 2

11. The variables which are added to L.H.S to the constraints to convert them into inequalities are called

(a) surplus variable (b)Slack variable (c) Degenerate variable (d) Basic variable

B. Fill in the Blanks

12. If A and B are two mutually exclusive events, P(A) = 0.17 and P(B) = 0.46,the value of P$(A \cup B)^c$ is .....

13. In an LPP, if the value of the objective function can be increased or decreased indefinitely, such solutions are called .....

14. ..... method is an iterative procedure which either involves an LPP in a finite number of steps or gives an indication that there is an unbounded solution to the LPP.

15. If $f'(x) = 0$ at x = c and $f''(x)$ is negative , then the function f(x) is .....at the point x =c

(15 x 1/5 = 3 weightage)

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

16. Find $\int (4x + 5)^6$ dx.

17. What do you mean by (i) complement of two events and
(ii) Intersection of two events.

18. Find the mean of the distribution f(x) = e^{-x} , 0< x <∞.

19. If we toss two balanced dice, A is the event that the sum of the face values of two dice is 8 and B is the event that the face value of the first one is 3. Calculate P(A|B)

20. State the properties of mathematical expectation and variance of a random variable.

21. Let X be a random variable with the following probability distribution.

X	-3	,6	9
P(x)	1/6	1/2	1/3

Evaluate $E(2X + 1)^2$

22 What is linear programming ?

23. What do you mean by an unbalanced assignment problem? How do you make it to a balanced one?

(5 x 1 = 5 weightage)

PART – C

Short Essay Questions

Answer *any 7 questions. Each question carries weightage 2.*

24. Write the steps to find a graphical solution for a Linear Programming Problem.

25. Solve graphically

$Z = 3x_1 + 4x_2$

Subject to $4x_1 + 2x_2 \leq 80$

$2x_1 + 5x_2 \leq 180$

$x_1, x_2 \geq 0$

26. What are the methods available for finding a basic feasible solution of a balance transportation problem. Explain anyone.

27. If the marginal revenue is given by $MR = 27 - 12x + x^2$. Find the total revenue function.

28. Find the maximum and minimum value of the function $f(x) = x^3 - 3x^2 - 9x + 12$

29. State addition theorem of probability. If P(A) = .5, P(B) = .6 and P (A∩ B) =.2.

Find (i)P (A∪ B) (ii) P (A') and (iii) P $(A \cap B')$

30 A discrete random variable X is said to be uniformly distributed over the numbers 1,2 3,.....n if $P(x = i) = \frac{1}{n}$, I = 1,2 …n.

Find E(x) and V(X)

31. Let the function $f(x) = \lambda x e^{-x}$. $x > 0$

(i) For what value of λ is 'f' a pdf

(ii) Find F(x)

32. If A, B and C are mutually exclusive and exhaustive events and

$P(A) = \frac{1}{2}P(B) = \frac{1}{3}P(C)$, find P(A), P(B) and P(C)

33. Examine whether the following is a probability distribution.

$f(0) = \frac{1}{4}$; $f(1) = \frac{1}{3}$; $f(2) = \frac{1}{3}$; $f(3) = \frac{1}{12}$

(7 x 2 = 14 weightage)

PART – D

Essay Questions

Answer *any 2 questions. Each question carries weightage 4.*

34. (i) The marginal cost $c'(x)$ and marginal revenue $R'(x)$ are given by $c'(x) = 20 + \frac{x}{20}$ and $R'(x) = 30$. The fixed cost is Rs 200. Determine the maximum profit and the number of items produced for this profit.

(ii) The supply function of a product is $y = 3x^2 + 6$. Find the producer's surplus when 10 items are supplied.

35. Solve the following Transportation Problem by Vogel's approximation method

	A	B	C	D	Supply
X	2	16	25	13	11
Y	17	18	14	3	13
Z	32	27	18	41	19
Demand	6	10	12	15	

36. State Baye's theorem.

Out of 600 car parts produced, it is known that 350 are produced in one plant, 150 parts produced in a second plant and 100 parts in a third plant. Also, it is known that the probabilities are 0.15,0.2 and 0.25 that the parts will be defective if they are produced in first, second and third plants respectively. What is the probability that a randomly picked part from this batch is not defectives?

37. Use simplex method to solve the LPP

Max $Z = 3x_1 + 2x_2$

Subject to $x_1 + x_2 \leq 4$

$x_1 - x_2 \leq 2$

$x_1, x_2 > 0$

(2 x 4 = 8 weightage)