

K22P 1510

Reg. No. : .....

Name : .....

I Semester M.A. Degree (CBSS – Reg./Sup./Imp.) Examination, October 2022  
(2019 Admission Onwards)  
Economics/Applied Economics/Dev. Economics)  
ECO1C01 : MICRO ECONOMIC THEORY – 1

Time : 3 Hours

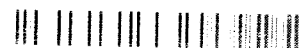
Max. Marks : 60

PART – A

Answer **all** questions. **Each** carries  $\frac{1}{2}$  mark.

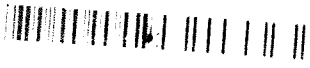
1. Probability is sometimes defined as
  - A) The expected profit of a fair bet
  - B) The most likely outcome of a given experiment
  - C) The outcome that will occur on average for a given experiment
  - D) The relative frequency with which an even will occur
2. Demand functions expressing the idea that current demand decisions are influenced by past behaviour is dealt by
  - A) Static demand function
  - B) Distributed lag models
  - C) Linear expenditure systems
  - D) Quantity constrained models

P.T.O.



3. Which of the following is not a basic concept of linear programming ?
- A) Optimisation
  - B) Linearity
  - C) Easy substitutability with a process
  - D) Constraints
4. Cobb-Douglas production function does not possess the characteristics of
- A) Constant returns to scale
  - B) Unit elasticity of substitution
  - C) Variable elasticity of substitution
  - D) Linear homogeneity
5. Which of the following is a form of non-price competition ?
- A) Advertising
  - B) Quality of service
  - C) Product quality
  - D) All of the above
6. A cartel that gives each member exclusive right to operate in a particular geographic area is
- A) Market sharing cartel
  - B) Centralised cartel
  - C) Price leadership
  - D) None
7. An individual is willing to pay something for information because
- A) Information is costly
  - B) It is always better to know than not to know
  - C) This allows the individual to increase utility
  - D) Information is a public good
8. The concept of market signalling was first developed by
- A) Michael Spence
  - B) Sidney Alexander
  - C) Robert Pindyck
  - D) Akerlof

(8×½=4)



PART – B

Answer **any eight** questions. **Each** carries **two** marks.

9. What is Bernoulli's hypothesis ?
10. Distinguish between risk aversion and risk loving.
11. What is an efficiency frontier ?
12. Distinguish between strong and weak ordering.
13. Give the meaning of production function.
14. Point out the meaning of CES.
15. Write a brief note on iso revenue curve.
16. What is price leadership ?
17. Distinguish between collusive and non-collusive oligopoly.
18. Give the meaning of moral hazard.
19. What is asymmetric information ?

(8×2=16)

PART – C

Answer **any four** questions. **Each** carries **five** marks.

20. With a suitable example, explain gambling as risk taking.
21. Briefly explain the indifference curve of attributes.
22. Explain the process of constructing a linear programming problem.