(Pages : 2)   Name.......................................

Reg. No......................................

FIRST SEMESTER M.A./M.Sc./M.Com. DEGREE EXAMINATION DECEMBER 2019

(CBCSS)

Economics

ECO 1C 01—MICRO ECONOMICS : THEORY AND APPLICATIONS—I

(2019 Admissions)

Time : Three Hours   Maximum : 30 Weightage

Part A (Short Answer Type)

Answer any **four** *out of seven questions.*
Each carries 2 weightage.

1. What is Cobb-Douglas production function ?

2. Distinguish between short run and long run production function.

3. Define Collusion.

4. What is Insurance ?

5. What do you mean by Snob effect ?

6. Define the term 'economies of scope'.

7. What do you mean by sequential game ?

(4 × 2 = 8 weightage)

Part B (Short Essay Type)

Answer any **four** *out of seven questions.*
Each carries 3 weightage.

8. How does prisoner's dilemma in game theory employ Nash equilibrium ?

9. Briefly explain von Neumann-Morgenstern utility theory.

10. "The demand curve facing an oligopolists has a kink at the level of the prevailing price". Explain.

11. How price of a firm is determined in an industry using price leadership model ?

12. Define CES production function. State its properties.

Turn over

13. Explain technological progress and production function.

14. Discuss briefly Linear expenditure system.

(4 × 3 = 12 weightage)

Part C (Essay Type)

*Answer any **two** out of four questions.*
Each carries 5 weightage.

15. Explain various attitudes towards risk based on expected utility theory.

16. Elucidate Cournot's duopoly model.

17. Show that the existence of the dominant strategy equilibrium implies existence of a Nash Equilibrium.

18. Critically examine Houthakker and Taylor dynamic demand functions.

(2 × 5 = 10 weightage)