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B.A. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2014

Fourth Semester

B.A. Economics

Core Course—MICROECONOMIC ANALYSIS

Time : Three Hours

Maximum Weight : 25

*Answers may be written **either** in English **or** in Malayalam.*

Part A (Objective Type Questions)

*Answer **all** questions.*
*Weight 1 each for a bunch of **four** questions.*

Choose the correct alphabet only :

I. 1 Economic cost include :

    (a) Both explicit and implicit cost.   (b) Explicit cost only.

    (c) Implicit cost only.   (d) None of these.

  2 The terms private and social cost were first used by :

    (a) Pigou.   (b) Marx.

    (c) Keynes.   (d) Smith.

  3 Perfect competition implies :

    (a) Differential products.   (b) Homogenous products.

    (c) Advertised products.   (d) None of these.

  4 The envelope curve is :

    (a) Long run marginal cost curve. (b) Long run average cost curve.

    (c) Short run total cost curve.   (d) Average variable cost curve.

II. 5 Kinked demand curve is used in :

    (a) Perfect competition.   (b) Monopoly.

    (c) Duopoly.   (d) Oligopoly.

  6 Revealed preference theory is associated with :

    (a) P.A. Samuelson.   (b) Alfred Marshall.

    (c) Karl Max.   (d) Adam Smith.

Turn over

7 Price discrimination is an outstanding features of :

    (a) Monopoly market.   (b) Duopoly market.

    (c) Oligopoly market.   (d) None of these.

8 Under perfect competition AR curve is :

    (a) 'U' shaped one.   (b) Downward sloping.

    (c) Horizontal straight line.   (d) Upward sloping curve.

III. 9 A combination of Monopolist and Monopsonist market is known as :

    (a) Oligopoly.   (b) Monopsony.

    (c) Bilateral monopoly.   (d) None of these.

10 The theory of group equilibrium was developed by :

    (a) Chamberlin.   (b) Adam Smith.

    (c) Malthus.   (d) Keynes.

11 Marginal productivity theory of distribution is :

    (a) Classical theory of distribution.

    (b) Neo-classical theory of distribution.

    (c) Keynesian theory.

    (d) Post-Keynesian theory.

12 Selling cost is an outstanding feature of :

    (a) Monopoly market.   (b) Perfect competition.

    (c) Oligopoly market.   (d) Monopolistic competition.

IV. 13 Samuelson is the propounder of :

    (a) Welfare definition.   (b) Wealth definition.

    (c) Scarcity definition.   (d) Growth definition.

14 Low of variable proportion implies :

    (a) Short run production function. (b) Long run production function.

    (c) Market relations.   (d) None of these.

15 The concept of Quasi-rent was introduced by :

    (a) Keynes.   (b) Ricardo.

    (c) Marshall.   (d) Marx.

16 Liquidity preference theory is associated with :

    (a) Keynes.   (b) Kaldor.

    (c) Malthus.   (d) Pigou.

<div align="right">(4 × 1 = 4)</div>

Part B (Short Answer Questions)

Write short notes on any **five** *questions, not exceeding 50 words each.*

Each question carries a weight of 1.

17 Opportunity cost.

18 Returns to scale.

19 Fixed cost.

20 Oligopoly.

21 Duopoly.

22 Price leadership.

23 Kinked demand curve.

24 Production function.

<div align="right">(5 × 1 = 5)</div>

Part C (Short Essays)

Answer any **four** *questions, not exceeding 150 words each.*

Each question carries a weight of 2.

25 Explain the features of monopolistic competition.

26 What are the different types of price discrimination ?

27 What is Pareto optimality ? Specify the conditions.

28 Explain the loanable fund theory of interest.

29 Discuss the Ricardian theory of rent.

30 Illustrate with diagram the equilibrium of the firm and industry under perfect competition.

<div align="right">(4 × 2 = 8)</div>

<div align="right">**Turn over**</div>

Part D (Long Essays)

*Answer any **two** questions, not exceeding 450 words each.*
Each question carries a weight of 4.

31 Explain the Marginal productivity theory of distribution.

32 What are the characteristics of an Oligopoly market and explain the equilibrium of a firm facing kinked demand curve ?

33 Analyse the various criteria of social welfare.

$(2 \times 4 = 8)$