

TM171240E

Reg. No:

Name:

M. A. DEGREE (C.S.S.) EXAMINATION, NOVEMBER 2017
SEMESTER I – ECONOMICS
(2017 Admission Regular, 2016 Admission Supplementary/Improvement &
2015 Admission Supplementary)
EC1C01M -MICROECONOMICS: THEORY OF CONSUMER
BEHAVIOUR & FIRM

Time: Three Hours

Maximum Marks: 75

PART A

I. Answer any five questions. Each question carries 3 marks.

1. Briefly mention relevance of Bernoulli's paradox.
2. Explain translog production function.
3. What is the relevance of time in consumers choice?
4. Explain wheel and spoke model.
5. What is learning curve?
6. Give reason for the shape of firm's demand curve under perfect competition?
7. Distinguish between Snob effect and bandwagon effect?

(5x3 =15)

PART B

II. Answer any six questions. Each question carries 5 marks.

8. If Govt imposes an annual tax on a firm which is a fixed sum independent of output, How does this affect the firm's fixed, marginal and average costs? On the other hand if the govt imposes a tax that is proportional to the output how does this affect the above cost curves?
9. Discuss the characteristics model of Lancaster highlighting its relevance in consumer demand.
10. Distinguish between U form and M form.
11. Discuss long run equilibrium of the firm under Monopoly.
12. Explain equilibrium of a single product firm.
13. Briefly explain Hicksian revision of demand theory.
14. Explain Markovitz Hypothesis.
15. Compare and contrast the shape of modern short run cost with that of the traditional theory.
16. Briefly discuss linear expenditure system.

(6x5=30)

PART C

III. Answer any two questions. Each question carries 15 marks.

17. Explain the properties of CES production function.

18. Highlight Ronald coase's contribution to understanding the structure of modern firms.
19. Briefly explain constant elasticity demand function and dynamic version of demand.
20. Discuss principles of behavioural economics highlighting its policy implications.

(2x15 =30)