LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.A. DEGREE EXAMINATION – ECONOMICS

FIRST SEMESTER – APRIL 2014

EC 1806 - MICRO ECONOMIC THEORY - I

Date : 29/03/2014   Dept. No.   Max. : 100 Marks
Time : 09:00-12:00

PART A (5 x 4= 20 Marks)
Answer any five questions in about 75 words each.

1. Define discriminating monopoly.
2. Define stable and unstable equilibrium.
3. What do you understand by the Ordinal utility analysis?
4. What is meant by Linear Homogeneous production function?
5. Explain the different types of risk explained by N-M analysis.
6. What do you understand by strong and weak ordering in revealed preference theory?
7. Define opportunity cost and social cost.

PART B (4 x 10= 40 Marks)
Answer any four questions in about 300 words each

8. Discuss the merits of economic static analysis.
9. Discuss the different types of price discrimination with suitable diagrams.
10. Critically examine the Marshallian theory of utility analysis.
11. Discuss the features of Cobb-Douglas production function.
12. Critically examine the three types of Returns to scale.
13. Compare N-M utility analysis with the Friedman –savage theory.
14. Compare the ordinal utility with the Cardinal utility approach.

PART C (2 x 20= 40 Marks)
Answer any two questions in about 900 words each

15. Discuss the merits and demerits of Inductive analysis in Economics.
16. Evaluate the reformulated theory of demand of Hicks.
17. Bring out the superiority of the modern utility analysis over the cardinal utility analysis.
18. Discuss the salient features of Monopolistic competition. How is price determined under it?

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