



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.A. DEGREE EXAMINATION – ECONOMICS

FIRST SEMESTER – NOVEMBER 2014

EC 1806 - MICRO ECONOMIC THEORY - I

Date : 31/10/2014
Time : 01:00-04:00

Dept. No.

Max. : 100 Marks

Part A

Answer Any Five questions in 75 words each:

(5x 4=20 marks)

1. What is meant by an Expansion path in production function?.
2. Explain the Bernoulli's hypothesis in modern utility analysis.
3. Distinguish between Monopoly and Monopolistic competition.
4. Distinguish between Implicit cost and Explicit cost in economics.
5. Define Strong ordering and weak ordering in the light of Hicksian Revised demand theory.
6. Explain the assumptions of the Ordinal utility analysis of Hicks.
7. Differentiate Comparative statics from Economic statics.

Part B

Answer Any Four questions in 300 words each:

(4x 10= 40 Marks)

8. Critically examine the Markowitz hypothesis in modern theory of utility analysis.
9. Discuss the various steps involved in Inductive method in economics.
10. What is an Inferior good?. Explain the shape of price consumption curve for it with an indifference curve diagram.
11. Discuss the importance and short-falls of Cobb-Douglas production function.
12. Discuss the application of perfect competition in agriculture.
13. What is product differentiation?.How it determines the price and output under Monopolistic competition?.
14. The Empirical studies have found that the Long-run average Cost curve is L shaped. What are the reasons for it?.

Part C

Answer Any Two questions in 900 words each:

(2x20= 40Marks)

15. Discuss the importance of Economic dynamics in the study of economic issues.
16. Describe the different types of risk expounded by N-M approach. How is it applicable to agriculture and business?.
17. Compare and contrast perfect competition and Monopolistic competition.
18. Bring out the similarities and dissimilarities between the Laws of Returns to scale and the Laws of variable proportions with appropriate diagrams. How are they applicable to production?
