

QP CODE

M2009

Enrollment Number:

Name:

MA DEGREE EXAMINATIONS, OCTOBER 2025

First Semester

M.A. Economics

M23EC01DC – Microeconomics I

(Supplementary/Improvement)

(2023 July admissions)

Time: 3 Hours

Max Marks: 70

Section A

Answer any ten of the following questions in a word or sentence each. Each question carries 1 mark.

1. What does a "pragmatic approach to demand theory" involve?
2. In the context of the constant elasticity demand function, what do the exponents β_1 , β_2 , and β_3 represent?
3. What is the main critique of traditional consumer theories from applied economists?
4. What is the stock adjustment model of Houthakker and Taylor designed to explain?
5. Define the Engel's Law.
6. What is a "bilateral monopoly"?
7. What is the concept of "tying" in a monopoly?
8. What is the key assumption of the Chamberlin's large group model of monopolistic competition?
9. What is "kinked demand curve" in the context of oligopoly?
10. What is the main focus of Williamson's managerial discretion model?
11. What is meant by "returns to scope"?
12. What is the main difference between "limit pricing" and "full-cost pricing"?
13. What is the main objective of a cartel?
14. What is the "Bertrand Paradox"?
15. What does the Hall and Hitch Report argue against?

(1X10=10)

Section B

Answer any five of the following questions in two or three sentences each. Each question carries 2 marks.

16. How does inter-temporal price discrimination work? Give an example.
17. Explain the concept of "isoprofit curves" in the Cournot model.

18. How do internal economies of scale and external economies of scale differ?
19. What is the distinction between 'constant elasticity of substitution' and 'variable elasticity of substitution'?
20. Briefly explain the St. Petersburg paradox.
21. What is "monopolistic competition"? State one of its key characteristics.
22. What is excess capacity in monopolistic competition?
23. What is the difference between a zero-sum game and a non-zero-sum game?
24. What are the two types of technical progress discussed in the study material?
25. How does the Neumann–Morgenstern utility index differ from Bernoulli's hypothesis?

(2X5=10)

Section C

Answer any five of the following questions in a paragraph each. Each question carries 4 marks.

26. Explain the main features of the pragmatic approach to demand theory.
27. Discuss the St. Petersburg paradox and how the Bernoulli hypothesis provides a solution to it.
28. Explain the concept of economies of scope and how they differ from economies of scale.
29. What is a monopolistic market structure? Describe its basic characteristics.
30. Explain the concept of markup over marginal cost in monopolistic competition.
31. Describe the key features of the Neoclassical theory of the firm.
32. What is price discrimination? Explain its three types.
33. Discuss the role of Game Theory in explaining oligopoly behaviour.

(4X5=20)

Section D

Answer any three of the following questions in two pages each. Each question carries 10 marks.

34. Explain the assumptions, properties, and empirical applications of the Cobb–Douglas production function.
35. Discuss the different types of price discrimination and their implications for consumer surplus and producer welfare.
36. Explain the Houthakker-Taylor model and how it captures the dynamic aspects of consumer Demand.
37. Compare and contrast the Neoclassical theory of the firm with the managerial theories of the firm.
38. Explain the prisoner's dilemma and Nash equilibrium with applications in oligopoly theory.
39. Explain the concept of the "L-shaped scale curve" in modern cost theory and how it relates to engineering production functions.

(10X3=30)