PSG COLLEGE OF ARTS & SCIENCE (AUTONOMOUS)

MA DEGREE EXAMINATION DECEMEBR 2023

(First Semester)

Branch - ECONOMICS

ADVANCED MICRO ECONOMICS THEORY - I

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks $(10 \times 1 = 10)$

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Question No.	Question	K Level	СО
1	Hicks and Allen believed that utility a) Cannot be measured b) Cannot be expressed c) Can be measured in cardinal d) Can be measured in ordinal numbers	K1	CO
2	An indifference curve is related to a) Consumer income b) Prices of goods X and Y c) Total utility from goods X and Y d) Choice and preferences of consumer	K2	COI
3	Implicit Cost are a) Equal to total fixed cost b) Comprised entirely of variable costs c) Payments for self-employed resources d) Always greater in the short- run than in the long run	K1	CO2
4	In Cobb-Douglas production function elasticity of factor substitution is equal to a) Zero b) Infinity c) One d) 0 <es<1< td=""><td>K2</td><td>CO2</td></es<1<>	K2	CO2
5	Which of the following markets have the unique feature of indeterminate demand curve? a) Perfect competition b) Oligopoly c) Monopoly d) Monopolistic competition	K1	CO3
6	How much Selling costs are incurred in case of perfect completion? a) Very high b) Very less c) Negligible d) Zero	K2	CO3
7	'A firm can sell more only at the lower price' To which market would you relate this statement a) Perfect competition b) Monopoly c) Oligopoly d) Duopoly	K1	CO4
8	Tooth paste's is a product of which type of market form a) Monopolistic competition b) Monopoly c) Oligopoly d) Perfect competition	K2	CO4
	Which of the following is also referred to as markup-pricing? a) Cost price b) Cost plus pricing c) Marginal pricing d) Discount pricing	K1	CO5
10	Which product is suited for market Skimming Pricing? a) A product facing too much competition b) An innovative product with high demand c) A newly introduced product d) A product with short life span	K2	CO5

 $(3 \times 10 = 30)$

SECTION - B (35 Marks)

Answer ALL questions
uestions carry EOUAL Marks

Question No.	Question	K Level	СО
11.a.	Explain Hicks Revision of demand theory.	E IE	
(OR)		K2	COI
11.b.	State the concept of Cross elasticity of demand.		
12.a.	Illustrate the elasticity of substitution.		CO2
	(OR)	K5	
12.b.	Discuss the U Shaped Short Run Average Cost Curves.		
13.a.	Discuss the Price-output Equilibrium under Monopolistic competition.	***	CO3
(OR)		K5	COS
13.b.	Define Selling Cost and how selling cost affect the demand?		
14.a.	Explain why a demand curve can become Kinked and state the reasons of price rigidity.	K6	CO4
(OR)			004
14.b.	Evaluate the Cartel Theory of Oligopoly.		
15.a.	Classify the criticisms of Growth Maximization theory of Marris.	K5	CO5
(OR)			COS
15.b.	Elaborate the William son's Utility Maximization.	POTENTA LICE	

SECTION -C (30 Marks) Answer ANY THREE questions

ALL questions carry EQUAL Marks

Question No.	Question	K Level	со
16	Analyse the measurement of Elasticity of demand.	K4	COI
17	Appraise the Cobb-Douglas Production Function.	K5	CO2
18	Predict the features of Imperfect Competition Market.	K4	CO3
19	Enumerate the Edge Worth Model.	K6	CO4
20	Elucidate the Baumol's sales Revenue Maximization.	K6	CO5