

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**MA DEGREE EXAMINATION DECEMBER 2024
(First Semester)**

Branch - **ECONOMICS**

ADVANCED MICROECONOMIC THEORY - I

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Micro analysis deals with the ----- (a) Allocation of resources of the economy as between production of different goods and services (b) Determination of prices of goods and services (c) Behaviour of individual decision makers (d) All the above	K3	CO1
	2	A Consumer is in equilibrium when he spends according to the --- (a) Law of diminishing marginal utility (b) Principle of equi-marginal utility (c) Law of demand and supply (d) Marginal propensity to consume	K3	CO1
2	3	Diseconomies of management result in ----- (a) Increasing returns to scale (b) Constant returns to scale (c) Decreasing returns to scale (d) both (a) and (b)	K2	CO2
	4	Marginal cost curve cuts the average cost curve ----- (a) At all points (b) At the left of its lowest point (c) At its lowest point (d) At the right of its lowest point	K2	CO2
3	5	A market system where there is only one buyer, is known as ---- a) Monopsony b) Monopolistic competition c) Monopoly d) Oligopoly	K2	CO3
	6	Factor prices are determined in the factor market under the forces of----- a) Marginal productivity b) Elasticity of demand c) Elasticity of supply d) Demand and supply	K2	CO3
4	7	Paul Sweezy used the kinked demand curve model to explain _____ in an oligopoly market. a) Price war b) Price rigidity c) Uncertainty d) Entry barriers	K3	CO4
	8	The basic assumption of Cournot model is ----- (a) Perfect assumption (b) Constant technology (c) Non-zero-sum game (d) No mutual dependence	K3	CO4
5	9	The economists Hall and Hitch are associated with ----- (a) Marginal cost pricing (b) Full cost pricing (c) Limit pricing (d) Total cost pricing	K2	CO5
	10	Difficulties encountered in entering an industry are often referred as _____. (a) Monopoly (b) Limit Barriers (c) Patent (d) Entry Barriers	K2	CO5

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SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Examine the Samuelson's revealed preference theory.	K4	CO1
		(OR)		
	11.b.	Analyse the demand function with its determinants.		
2	12.a.	Illustrate the production function with one variable input.	K2	CO2
		(OR)		
	12.b.	Summarize the various types of cost curve under long-run and short-run.		
3	13.a.	Show the pricing under discriminating monopoly.	K2	CO3
		(OR)		
	13.b.	Outline the Chamberlin's view on Excess capacity.		
4	14.a.	Explain price rigidity under Oligopoly.	K5	CO4
		(OR)		
	14.b.	Interpret Chamberlin's Oligopoly Model with suitable diagram.		
5	15.a.	Summarize the theory full cost pricing.	K2	CO5
		(OR)		
	15.b.	Explain the Williamson's model of Managerial Discretion.		

SECTION - C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks

(3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Analyze the Lancasterian's approach to demand theory.	K4	CO1
2	17	Construct Cobb – Douglas production function and indicate its limitations.	K3	CO2
3	18	Identify price-output determination under perfect competition in short-run and in long-run with suitable diagram.	K3	CO3
4	19	Analyze the models of price leadership.	K4	CO4
5	20	Examine the Baumol's sales revenue maximization model.	K4	CO5

Z-Z-Z

END