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Reg. No. : .....

Name : .....

**First Semester M.A. Degree Examination, September 2022**

**Behavioural Economics and Data Science**

**BEDS 511 : MICRO ECONOMIC THEORY**

**(2020 Admission Onwards)**

Time : 3 Hours

Max. Marks : 75

**SECTION – A**

Answer **all** questions. **Each** question carries **1** mark.

1. Homogenous Production function
2. Consumer Surplus
3. Monopolistic Competition
4. Partial Equilibrium
5. Elasticity of Substitution
6. Adverse Selection
7. Scale of Preference
8. Collusive Oligopoly
9. Substitution Effect
10. Price Discrimination

(10 × 1 = 10 Marks)

P.T.O.



## SECTION – B

Answer **any seven** questions in less than **400** words. Each question carries **5** marks.

11. Which theorem is applied to situations where the economic activities of one party impose a cost on or damage to the property of another party? Elucidate.
12. Explain the major goals of a firm.
13. The traditional cost theory holds the long run average is U shaped, but as per the modern cost theory it is roughly L-shaped. Give Reason.
14. Point out the major features of collusive oligopoly.
15. How the kink is formed in a demand curve according to Paul M Sweezy?
16. Explain Walrasian General Equilibrium Model.
17. How far the theory of second best is an improvement over first best?
18. Explain Tatonnement Process.
19. Give few examples you noticed associated with free rider problem.
20. The inequality in the society is justified only to the extent that it benefits the least advantaged individuals in the society. Justify the statement using Rawl's Social welfare function.

(7 × 5 = 35 Marks)

## SECTION – C

Answer **any three** questions in less than **1200** words. Each question carries **10** marks.

21. Analyze the properties of CES Production function.
22. Explain Arrow's Impossibility theorem.



23. Do externalities (Both Positive and Negative) leads to market failure. Elaborate your opinion on the above statement.
24. "Choice Reveals Preference". Substantiate the statement with a proper theoretical background.
25. How did Scitovsky's showed that Kaldor and Hicks Compensation Criterion leads to contradictory results.

(3 × 10 = 30 Marks)

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