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M – 5841

Reg. No. :

Name :

First Semester M.A. Degree Examination, November 2021

Behavioural Economics and Data Science

BEDS-511 – MICRO ECONOMIC THEORY

(2020 Admission)

Time : 3 Hours

Max. Marks : 75

SECTION – I

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

1. Equity efficiency trade off
2. Moral Hazard
3. Imperfect Competition
4. Externalities
5. Asymmetric Information
6. Production function
7. Income Effect
8. Consumers Surplus
9. Non Collusive Oligopoly
10. Free Rider problem

(10 × 1 = 10 Marks)

P.T.O.



SECTION – II

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

11. Give some real life examples where Coase theorem works effectively.
12. Explain Modern demand theory with a special focus on stock adjustment.
13. How we can derive Indifference curve from Revealed Preference Theory?
14. When one party in a market has more information than the other, on behalf of that there arises a problem of adverse selection. Analyze the situation with reference to a Used Car market.
15. Analyze Rawl's theory of Justice with a focus on his two principles of justice.
16. How price and output is determined under Monopoly?
17. What do you mean by Linear Expenditure System?
18. In your opinion what is the practical use of knowing consumer surplus?
19. Explain Modern cost theory.
20. Wikipedia, a free encyclopedia hundreds of millions of people use Wikipedia every month but only a tiny fraction of users pay to use it. A large majority of Wikipedia users do not pay to use the site but are able to benefit from the information provided by the website, what type of problem you witness here and what about the remedies.

(7 × 5 = 35 Marks)

SECTION – III

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

21. Analyze the properties of Cobb-Douglas Production function.
22. What is Price Discrimination and examine how it is possible and profitable?



23. Explain the first and second order conditions for the attainment of Pareto Optimality Criterion.
24. Compare and Contrast Cournot and Bertrand Duopoly Models.
25. Explain price and output determination under Monopolistic Competition.

(3 × 10 = 30 Marks)

