19. (a) Explain the characteristics of Monopolistic Competition.

Or

(b) Write a note on the characteristics of Oligopoly.

20. (a) Explain the assumptions of Bain's Limit pricing theory.

Or

(b) What are the main features of the theories of firm as given by Williamson Model?

SECTION C — (3 × 10 = 30)

Answer any THREE questions.

21. Describe the concept of Revealed Preference theory.

22. Describe the concept of the Cobb-Douglas Production Function.

23. How is the price and output determination under monopoly?

24. Explain the Chamberlin theory of excess capacity.

25. Explain critically Baumol's sales maximisation model.

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(For candidates admitted from 2022–23 onwards)

M.A. DEGREE EXAMINATION, NOVEMBER 2023.

Economics

MICRO ECONOMICS – I

Time : Three hours Maximum : 75 marks

SECTION A — (20 marks)

Answer ALL questions.

I. (A) Choose the correct answer: (5 × 1 = 5)

1. An indifference curve is related to:

(a) Choices and preferences of consumer

(b) Prices of good X and Y

(c) Consumer's income

(d) Total utility from goods X and Y

2. Production function is expressed as:

(a) $Q_x = P_x$ (b) $Q_x = f(A, B, C, D)$

(c) $Q_x = D_x$ (d) None of these

3. A monopoly is a market with

(a) No barriers to entry

(b) Many substitutes

(c) Many suppliers

(d) One supplier

4. In monopolistic competition, the products of different sellers are assumed to be

(a) Similar but slightly different

(b) Identical perfect substitutes

(c) Either identical or differentiated

(d) Unique without any close or perfect substitutes

5. Sales Maximisation is suitable for __________ market

(a) Oligopoly (b) Duopoly

(c) Monopoly (d) Monopsony

(B) Fill in the blanks: (5 × 1 = 5)

6. The term cobweb theorem coined by __________.

7. The law of variable proportions is also called as __________.

8. __________ appears in a monopoly market.

9. In __________ market, seller creates products differentiation.

10. __________ introducing limit pricing theory.

II. Answer ALL questions: (5 × 2 = 10)

11. What is indifference map?

12. What is production function?

13. Write any two methods of controlling monopoly.

14. Write any two examples of monopolistic competition.

15. What is meant by Price Rigidity?

SECTION B — (5 × 5 = 25)

Answer ALL questions, choosing either (a) or (b).

16. (a) Briefly explain the Cob Web theorem.

Or

(b) What are the defects of revealed preference theory?

17. (a) Explain the characteristics of Iso-quant.

Or

(b) Distinguish between the laws of returns and returns to scale.

18. (a) Explain the conditions of price discrimination.

Or

(b) What are the three types of price discrimination under monopoly?