

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086
(For candidates admitted from the academic year 2023 – 2024 & thereafter)

M.A. DEGREE EXAMINATION, NOVEMBER 2024
BRANCH III - ECONOMICS
FIRST SEMESTER

COURSE : CORE
PAPER : MICROECONOMIC ANALYSIS –I
SUBJECT CODE: 23EC/PC/MI14
TIME : 3 HOURS

MAX. MARKS: 100

Q. No.	SECTION A PART – A (2 x 5 =10 marks) ANSWER TWO OUT OF THREE QUESTIONS IN 150 WORDS EACH	CO	KL
1	State the conditions for maximization of utility.	1	K1
2	Explain the short run average cost curves and represent them diagrammatically.	1	K1
3	What is excess capacity? Explain with the help of a diagram.	1	K1
	PART - B (2 x 5 = 10 marks) ANSWER TWO OUT OF THREE QUESTIONS IN 150 WORDS		
4	Distinguish between cardinal and ordinal utility.	2	K2
5	Examine the rules for marginal analysis.	2	K2
6	Describe the impact of technological progress on the production function	2	K2
	SECTION B PART - A (2 x 8 =16 marks) ANSWER TWO OUT OF THREE QUESTIONS IN 400 WORDS	CO	KL
7	Derive the demand curve using the revealed preference theory.	3	K3
8	Bring out the relationship between production and cost.	3	K3
9	Demonstrate the short run equilibrium of the firm under perfect competition	3	K3
	PART - B (2 x 8 = 16 marks) ANSWER TWO OUT OF THREE QUESTIONS IN 400 WORDS		

10	Analyse the law of variable proportions and its relevance to firms in hiring labour.	4	K4
11	Explain the impact of monopoly power on consumer welfare.	4	K4
12	Point out the reasons for the U-shape of the long run average cost curve	4	K4
SECTION C		CO	KL
PART - A (2 x 12 = 24 marks)			
ANSWER TWO OUT OF FOUR IN 700 WORDS			
13	Evaluate the importance of indifference curves to government policy making.	5	K5
14	Bring out the superiority of the modern theory of costs over the traditional theory of costs.	5	K5
15	Compare and contrast Slutsky's price effect with the Hicksian price effect. In your opinion which is the superior approach.	5	K5
16	Identify the conditions for consistency of preferences with the Hicksian revision of demand theory.	5	K5
PART - B (2 x 12 = 24marks)		CO	KL
ANSWER TWO OUT OF FOUR IN 700 WORDS			
17	Develop consumer portfolio choice under conditions of risk and uncertainty.	5	K6
18	Prove that the elasticity of factor substitution for the Cobb Douglas production function is constant and examine any two other properties of the Cobb Douglas production function	5	K6
19	Write how the recent developments in demand theory are an improvement over traditional demand theory	5	K6
20	Compile the conditions under which it is possible and profitable to practice price discrimination. Explain equilibrium under price discrimination.	5	K6
