

M.A. (PREVIOUS) EXAMINATION 2018 HELD IN 2019

ECONOMICS (PAPER I)

MICRO ECONOMICS

Time: 3 hours

Max Marks: 100

Instructions:

(i) Attempt any FIVE questions

(ii) All questions carry equal marks

- Q1 Distinguish between cardinal and ordinal utility approach. Explain the difference between diminishing marginal utility and diminishing marginal rate of substitution.
- Q2 Compare the equilibrium of an industry and a firm under perfect competition in the long run.
- Q3 Explain the Keynesian's theory of interest. In what respect it differs from the classical theory of interest.
- Q4 Explain discriminating monopoly. How would a monopolist determine the prices and output in different markets? Elucidate with the help of a diagram.
- Q5 Explain the income effect and substitution effect of a decrease in the price for normal good and inferior good.
- Q6 What relation, if any, between (a) short marginal cost curve and short run average cost curve (b) short run marginal cost curve and long run marginal cost curves, explain.
- Q7 What is meant by the term equilibrium in economics? Explain and distinguish between
- (a) Stable and unstable equilibrium and
- (b) Partial and general equilibrium with the help of examples.
- Q8 Write short notes on any three of the following:
- (a) Giffen Paradox
- (b) Maximin and minimax principle of Game Theory
- (c) Consumer surplus and producer surplus
- (d) Opportunity cost
- (e) Isoquant and isocost