

**FIRST SEMESTER M.A. (CBCSS) DEGREE [REGULAR/SUPPLEMENTARY]  
EXAMINATION, NOVEMBER 2022**

Economics

ECO 1C 04—QUANTITATIVE METHODS FOR ECONOMIC ANALYSIS-I

(2019 Admission onwards)

[Improvement Candidates need not appear for MCQ Part]

(Multiple Choice Questions for SDE Candidates)

**Time : 20 Minutes**

**Total No. of Questions : 20**

**Maximum : 5 Weightage**

**INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
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## ECO 1C 04—QUANTITATIVE METHODS FOR ECONOMIC ANALYSIS—I

(Multiple Choice Questions for SDE Candidates)

1. Suppose that price of 2 ball and 1 bat is 100 units, then What will be representation of problems in Linear Algebra in the form of  $x$  and  $y$  ?
  - (A)  $2x + y = 100.$
  - (B)  $2x + 2y = 100.$
  - (C)  $2x + y = 200.$
  - (D)  $x + y = 100.$
2. The concept of Eigen values and vectors is applicable to ?
  - (A) Scalar Matrix.
  - (B) Identity Matrix.
  - (C) Upper Triangular Matrix.
  - (D) Square Matrix.
3. Singular matrix are :
  - (A) Non-invertible.
  - (B) Invertible.
  - (C) Both Non-invertible and Invertible.
  - (D) None of the above.
4. Which of the following is false ?
  - (A) We have a constant scalar 'c' and a matrix 'A'. Then multiplying 'c' with 'A' gives :  $c[C_{ij}] = [c * A_{ij}]$ .
  - (B) The multiplication of two matrices of orders  $i * j$  and  $j * k$  results into a matrix of order  $i * k$ .
  - (C) Two matrices will be compatible for multiplication only if the number of columns of the first matrix and the number of rows of the second one are same.
  - (D) Transposition simply means interchanging the row and column index.
5. What is symmetric Matrix ?
  - (A)  $A \neq A^T$
  - (B)  $A = A^T$
  - (C) Both A and B.
  - (D) None of the above.
6. Inverse of matrix equals :
  - (A)  $\frac{\text{Ad joint matrix}}{|A|}$ .
  - (B)  $\text{Ad joint matrix} * |A|$ .
  - (C)  $\frac{|A|}{\text{adjoint matrix}}$ .
  - (D) None of the above.

7.  $f(x) = 3x^3 - 4x^2 + 10$  implies :

(A)  $f(1) = 10.$

(B)  $f'(x) = 9x^2 - 8x + 10.$

(C)  $f''(x) = 18x - 8.$

(D)  $f'(2) = 20.$

8.  $f(x) = \log x, F'(x) =$

(A)  $2x.$

(B)  $1/2 x.$

(C)  $1/x.$

(D)  $X.$

9. What is the value of elasticity of demand when MR is equal to zero ?

(A) 1.

(B) 0.

(C) -1.

(D) 4.

10.  $y = e^{2x+3}$ , what is  $\frac{dy}{dx}$  ?

(A)  $e^{2x+3}.$

(B)  $x + 3.$

(C) 2.

(D)  $2e^{2x+3}.$

11.  $\int (x+3) dx =$

(A)  $\frac{x^2}{2} + 3.$

(B)  $\frac{x^2}{2} + c.$

(C)  $\frac{x^2}{2} + 3x + c.$

(D)  $\frac{x^2}{2} + 3x.$

12.  $\int \frac{1}{x} dx = ?$

(A)  $x + c.$

(B)  $1/x + c.$

(C)  $\log x + c.$

(D)  $\frac{1}{x^2} + c.$

13.  $y = \frac{1}{x} \frac{d^2y}{dx^2} = ?$
- (A)  $\frac{-1}{x^2}$ . (B)  $\frac{1}{x^2}$ .
- (C)  $\frac{-2}{x^3}$ . (D)  $\frac{2}{x^3}$ .
14.  $y = x^2 + 2x + 2$ , what is the value  $x$  ?
- (A) 1. (B) 2.
- (C) -1. (D) 1.
15. Given  $A = 2^{65}$  and  $B = (2^{64} + 2^{63} + 2^{62} + \dots + 2^0)$ , which of the following is true ?
- (A) B is  $2^{64}$  larger than A. (B) A and B are equal.
- (C) B is larger than A by 1. (D) A is larger than B by 1.
16. Which theory describes money received in the current time it has more worth than money received in future ?
- (A) Cash value of money. (B) Time value of money.
- (C) Storage value of money. (D) Lead value of money.
17. A project assumed monetary gain or loss by discounting entire cash inflows and outflows by utilising the necessary rate of return is listed as :
- (A) Net recorded cash value. (B) Net discounted value.
- (C) Net future value. (D) Net present value.
18. The cash flows method, utilized by the internal rate of return and net present value method are :
- (A) Future cash flows. (B) Lean cash flows.
- (C) Discounted cash flows. (D) Vertical cash flows.
19. In which payback period a due cash flows are discounted with the cost of capital of the project is categorised as :
- (A) Discounted project cost. (B) Discounted cash flows.
- (C) Discounted rate of return. (D) Discounted payback period.
20. Internal rate of return is :
- (A) The rate at which discounted cash inflow is equal to the discounted cash outflow.
- (B) The rate at which discounted cash inflow is less than discounted cash outflow.
- (C) The rate at which discounted cash inflow is more than discounted cash outflow.
- (D) None of the above.

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Economics

ECO 1C 04—QUANTITATIVE METHODS FOR ECONOMIC ANALYSIS—I

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

**Part A**

*Answer all questions.*

*Each bunch of five question carries a weightage of 1.*

Multiple Choice Questions :

1. A polynomial function of degree two is a \_\_\_\_\_.  
(a) Linear function. (b) Quadratic function.  
(c) Non-linear function. (d) None of these.
2. Inverse Function of exponential function is :  
(a) Logarithmic function. (b) Constant function.  
(c) Linear function. (d) None of these.
3. If the number of rows of a matrix is equal to the number of column is called \_\_\_\_\_.  
(a) Rectangular matrix. (b) Square matrix.  
(c) Identify matrix. (d) None of these.
4. A square matrix in which all the diagonal elements are one and the non-diagonal elements are zero is called \_\_\_\_\_.  
(a) Diagonal matrix. (b) Unit matrix.  
(c) Skew matrix. (d) None of these.
5. The derivative of a constant functions is :  
(a) 0. (b) 1.  
(c) -1. (d) Infinity.
6. If income elasticity of demand is greater than 1, the commodity is :  
(a) Necessity. (b) Luxury.  
(c) Inferior good. (d) Non-related good.

Turn over

7. Find the total revenue function of the average revenue function  $100 - x$  :
- (a)  $100 - 2x$ . (b)  $100 - x^2$ .  
(c)  $-1$ . (d)  $\frac{100}{x} - 1$ .
8. Find the 20th term of the following sequence : 1, 4, 7, 10 ....
- (a) 32. (b) 58.  
(c) 127. (d) 356.
9. As per the NPV, any project to be acceptable should have a :
- (a) Positive NPV. (b) Zero NPV.  
(c) Negative NPV. (d) Both (a) and (b).
10. Difference equation is used in :
- (a) Discrete time analysis. (b) Continuous time analysis.  
(c) Digital analysis. (d) None of these.
11. How many terms are there in GP 5, 20, 80, 320, ..., 20480.
- (a) 16. (b) 10.  
(c) 6. (d) 7.
12. If  $x^2 + 2xy = y^2$ , then  $\frac{dy}{dx}$  is :
- (a)  $\frac{x+y}{y-x}$ . (b)  $2x + 2y$ .  
(c)  $\frac{x+1}{y}$ . (d)  $-x$ .
13. While judging a project from its NPV, which one you select :
- (a) Highest NPV. (b) Lowest NPV.  
(c) NPV cannot be judged. (d) None of these.
14. The Engel curve of a secondary degree equation will be shaped as :
- (a) Straight line. (b) Parabola.  
(c) Circle. (d) Ellipse.
15. The minimum value of  $f(x) = x^4 - x^2 - 2x + 6$  is :
- (a) 6. (b) 4.  
(c) 8. (d) None of these.

(15 × 1/5 = 3 weightage)

**Part B (Very Short Answer Questions)***Answer any five questions.**Each question carries a weightage of 1.*

16. Evaluate  $\lim_{x \rightarrow 4} \frac{x^2 - 2x - 8}{x - 4}$ .
17. Find the derivative of the function for  $y = \frac{x^3}{x - 2}$ .
18. Draw graph of logarithmic function when base 'a' is greater than 1 and less than 1.
19. What do you mean by rank of a matrix ?
20. Find the second order partial derivative of the given function by using generalised power function rule :
- $$Z = 2x^2 - 18xy - 6y^3.$$
21. Find the marginal product from the following Total Product function (TP) function :  
 $TP = 70 + 10Q - 4Q^2 + 4Q^3$  and evaluate it at  $Q = 5$  and  $Q = 8$ .
22. Find the value of Rs. 150 at 15 percent interest for 3 years compounded annually.
23. Find Maxima and Minima of  $y = 2x^3 - 6xy$ .

 $(5 \times 1 = 5 \text{ weightage})$ **Part C (Short Answer Questions)***Answer any seven questions.**Each question carries a weightage of 2.*

24. What are the important properties of determinant ?
25. Find Total Revenue, Average Revenue and Marginal Revenue for the demand function  
 $p = q^{\frac{1}{4}} + 32$  where 'p' is price and 'q' is the quantity demanded.
26. Evaluate  $\int \frac{40x^3}{(20x^4 + 2)^4} dx$ .
27. The demand function  $P = 30 - 2x$ . The supply function  $2P = 5 + x$ , find consumer's surplus.
28. For the data given below, determine the market price in any time period and the equilibrium price :

$$Q_{dt} = 110 - 0.2P_t, Q_{st} = -15 + 0.3P_{t-1} \text{ and } P_0 = 127.$$

Turn over

29. A company considering two projects A and B, each of them requires an initial investment of Rs. 50 Million. The expected cash inflows (in Million) from the project are :

Year	1	2	3	4
Project A	11	19	32	37
Project B	38	22	18	10

If the cost of capital is 10 percent, which project should be considered by the company on the basis of Net Present Value ?

30. Find the inverse of the following matrix :

$$A = \begin{bmatrix} 4 & 2 \\ 6 & 8 \end{bmatrix}.$$

31. Solve the differential equation  $(1+x^2)\frac{dy}{dx} + (1+y^2) = 0$ , given that  $y = 1$ , when  $x = 0$ .

32. Solve the following linear equations by matrix method :

$$\begin{aligned} 2x + 3y - z &= 0 \\ x - y - 2z &= 0 \\ 3x + y + 3z &= 0. \end{aligned}$$

33. Evaluate the following integral as limit of sum :  $\int_0^3 (x+4) dx$ .

(7 × 2 = 14 weightage)

### Part D (Essay Questions)

*Answer any two questions.*

*Each question carries a weightage of 4.*

34. Given utility function as  $U = x^2 + 3xy - 5y^2$ . Price of the commodity  $x$  is Rs. 2, Price commodity  $y$  is Rs. 3 and consumer's money income is Rs. 6. Find the equilibrium level of consumption of commodities  $x$  and  $y$  and also prove the conditions for maximisation.
35. A firm has the Total Cost function  $C = \frac{1}{3}Q^3 - 7Q^2 + 111Q + 50$  and demand function  $Q = 100 - P$ . Find output that maximises profit. What is the maximum profit, Total Revenue, Average Revenue and Marginal Revenue, Total Cost, Average Cost and Marginal Cost ?



36. Solve the system of equations using Cramer's rule :

$$5x - 7y + z = 11$$

$$6x - 8y - z = 15$$

$$3x + 2y - 6z = 7.$$

37. Explain the Economic applications of differential calculus.

(2 × 4 = 8 weightage)

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**FIRST SEMESTER M.A. (CBCSS) REGULAR/SUPPLEMENTARY DEGREE  
EXAMINATION, NOVEMBER 2022**

Economics

ECO1C03—INDIAN ECONOMY : PROBLEMS AND POLICIES

(2019 Admission onwards)

[Improvement Candidates need not appear for MCQ Part]

(Multiple Choice Questions for SDE Candidates)

**Time : 20 Minutes****Total No. of Questions : 20****Maximum : 5 Weightage****INSTRUCTIONS TO THE CANDIDATE**

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## ECO1C03—INDIAN ECONOMY : PROBLEMS AND POLICIES

(Multiple Choice Questions for SDE Candidates)

1. 'Take off stage' in an economy means :
  - (A) Steady growth begins.
  - (B) Economy is stagnant.
  - (C) Economy is about to collapse.
  - (D) All controls are removed.
2. The first attempt to initiate economic planning in India was made by :
  - (A) Balwantraji Mehta.
  - (B) Vallabhbhai Patel.
  - (C) M. Visvesvaraya.
  - (D) Jawaharlal Nehru.
3. 'Globalisation of Indian Economy' means :
  - (A) Stepping up external borrowings.
  - (B) Establishing Indian business units abroad.
  - (C) Having minimum possible restrictions on economic relations with other countries.
  - (D) Giving up programmes of import substitution.
4. The Second Five Year Plan laid more stress upon :
  - (A) Agriculture.
  - (B) Industrialisation.
  - (C) Removing poverty.
  - (D) Self-reliance.
5. Among the following who are eligible to benefit from the "Mahatma Gandhi National Rural Employment Guarantee Act" ?
  - (A) Adult members of only the scheduled Caste and scheduled tribe households.
  - (B) Adult members of below poverty line (BPL) households.
  - (C) Adult members of households of all backward communities.
  - (D) Adult members of any household.
6. Broad money in India is :
  - (A)  $M_1$ .
  - (B)  $M_2$ .
  - (C)  $M_3$ .
  - (D)  $M_4$ .

7. Which one of the following brings out the publication called 'Energy Statistics' from time to time" ?
- (A) Central Power Research Institute. (B) Planning Commission.  
(C) PFCL. (D) Central Statistical Organization.
8. The phenomena of increasing prices but declining output and employment indicates :
- (A) Disinflation. (B) Stagflation.  
(C) Reflation. (D) Open inflation.
9. Urijit patel committee appointed by RBI to examine :
- (A) Banking licenses.  
(B) Financial inclusion and deepening.  
(C) Revise and strengthen the current monetary policy framework.  
(D) Foreign banks administration.
10. Cheap and dear money policy relates to changes in :
- (A) Repo rate. (B) Bank rate.  
(C) Both repo and reverse repo rate. (D) Both repo and bank rate.
11. Demonetisation has the potential to generate long term benefits in terms of :
- (A) Reduced corruption.  
(B) Greater digitalization of the economy.  
(C) Increased flows of financial savings.  
(D) All of the above.
12. The AMRUT (Atal Mission for Rejuvenation and Urban Transformation) programme focuses on :
- (A) Providing water supply. (B) Providing nutritional support.  
(C) Providing electricity connection. (D) Providing free LPG connection.
13. When was the first agriculture census of India conducted ?
- (A) 1880. (B) 1890.  
(C) 1921. (D) 1970.

14. What kind of unemployment is found in the agricultural sector of India ?
- (A) Situational. (B) Voluntary.  
(C) Frictional. (D) Disguised.
15. Which segment is contributing largest into the gross savings of the country ?
- (A) Household sector. (B) Private corporate sector.  
(C) Public sector. (D) Foreign sector.
16. Which of the following statement is correct about the NITI Aayog ?
- (A) NITI Aayog was Formed 25 January 2016.  
(B) NITI Aayog comes under the Ministry of Commerce and Industry.  
(C) The full form of NITI Aayog is National institute for Transforming India.  
(D) The NITI Aayog is a policy think tank of the Government of India.
17. GST stands for :
- (A) Goods and supply tax. (B) Government sales tax.  
(C) Goods and service tax. (D) General sales tax.
18. How much economic relief package is announced by Prime Minister Narendra Modi through Aatma Nirbhar Bharat Abhiyaan ?
- (A) Rs. 10 lakh crores. (B) Rs. 15 lakh crores.  
(C) Rs. 20 lakh crores. (D) Rs. 25 lakh crores.
19. What is the base year for calculating India's GDP ?
- (A) 2004-05. (B) 2010-11.  
(C) 2011-12. (D) 2014-15.
20. On which commission's recommendations ; Reserve Bank of India was established ?
- (A) Chamberlain Commission. (B) Hilton Young Commission.  
(C) Keynes Commission. (D) None of the above.

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Economics

ECO1C03—INDIAN ECONOMY : PROBLEMS AND POLICIES

(2019 Admission onwards)

Time : Three Hours

Maximum Weightage : 30

**Part A**

*Answer all questions.*

*Each bunch of 5 questions carries a weightage of 1.*

Multiple choices :

1. The book "Capital in the twenty first century" was written by :  
(a) Thomas Picketty. (b) Jagadish Bhagavati.  
(c) Paul Krugman. (d) AK Sen.
2. The year of great divide is :  
(a) 1956. (b) 1921.  
(c) 1947. (d) 1857.
3. National income in India is estimated by :  
(a) Planning Commission. (b) Finance Commission.  
(c) Indian Statistical institute. (d) CSO.
4. NABARD was established in :  
(a) Fourth plan. (b) Fifth plan.  
(c) Sixth plan. (d) Eighth plan.
5. The child sex ratio of in India as per 2011 census :  
(a) 940. (b) 936.  
(c) 913. (d) None of these.
6. UNDP has introduced a new poverty index known as :  
(a) Human Poverty Index. (b) Poorest among Poor Index.  
(c) Social Poverty Index. (d) Multi dimensional Poverty Index.

Turn over

7. SJSRY belongs to :
- (a) Urban areas. (b) Rural areas.  
(c) Semi urban areas. (d) All of the above.
8. RBI was nationalised in :
- (a) 1959. (b) 1947.  
(c) 1945. (d) 1949.
9. Pradan Mantri Fasal Bima Yojana launched in the year :
- (a) 2013-14. (b) 2014-15.  
(c) 2015-16. (d) 2016-17.
10. Indian state having the lowest infant mortality rate is :
- (a) Maharashtra. (b) Goa.  
(c) Gujarat. (d) Kerala.
11. According to HDI report India is a :
- (a) Low human development country.  
(b) Medium human development country.  
(c) High human development country.  
(d) Very low human development country.
12. The Malhotra Committee is for :
- (a) Insurance sector. (b) NABARD formation.  
(c) Banking sector. (d) None of these.
13. What is stagflation ?
- (a) Inflation with growth. (b) Deflation with growth.  
(c) Inflation after deflation. (d) Inflation with depression.
14. Which sector constitute the maximum share in National Income of India ?
- (a) Primary. (b) Secondary.  
(c) Tertiary. (d) All of the above have equal share.
15. The concept of rolling plan was emerged during period :
- (a) 1971 to 1978. (b) 1980 to 1985.  
(c) 1978 to 1980. (d) 1992 to 1997.

(15 × 1/5 = 3 weightage)

**Part B (Very Short Answer Questions)***Answer any five questions.**Each question carries a weightage of 1.*

- |  |   |
|--|---|
| 16. Explain Economic growth.             | 17. Explain GVA.                            |
| 18. Write a note on Migration.           | 19. Explain Food inflation.                 |
| 20. Explain Objectives of planning.      | 21. Explain Washington Consensus.           |
| 22. Explain Kerala model of development. | 23. Write a note on approaches in planning. |

*(5 × 1 = 5 weightage)***Part C (Short Answer Questions)***Answer any seven questions.**Each question carries a weightage of 2.*

24. Analyse the contribution of different sectors of GDP in India.
25. Examine the background of economic reforms.
26. Discuss NITI Ayog and its vision documents.
27. Explain economic liberalization and economic growth in Kerala.
28. Examine the impact of Fiscal policy reforms in India.
29. Discuss the achievement of decentralization in Kerala.
30. Explain the inter regional dimensions of industrial growth in India.
31. Explain the new initiatives of the government towards black money.
32. Discuss the approaches in planning.
33. Explain planning and economic development.

*(7 × 2 = 14 weightage)***Part D (Essay Questions)***Answer any two questions.**Each question carries a weightage of 4.*

34. Discuss the evaluation of Five Year Plans in India.
35. Discuss the features of Kerala model of development.
36. Write an appraisal of India's economic reforms.
37. Discuss "A Global deal on climate change-possible role for India".

*(2 × 4 = 8 weightage)*



**FIRST SEMESTER M.A. (CBCSS) REGULAR/SUPPLEMENTARY DEGREE  
EXAMINATION, NOVEMBER 2022**

Economics

ECO1C02—MACRO ECONOMICS : THEORIES AND POLICIES—I

(2019 Admission onwards)

[Improvement Candidates need not appear for MCQ Part]

(Multiple Choice Questions for SDE Candidates)

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## ECO1C02—MACRO ECONOMICS : THEORIES AND POLICIES—I

(Multiple Choice Questions for SDE Candidates)

1. The investment demand curve suggests :
  - (A) That changes in the real interest rate will not affect the amount invested.
  - (B) There is a direct relationship between the real rate of interest and the level of investment spending.
  - (C) That an increase in business taxes will tend to stimulate investment spending.
  - (D) There is an inverse relationship between the real rate of interest and the level of investment spending.
2. Which of the following statement is inconsistent with Say's Law ?
  - (A) The economy has flexible wages and prices.
  - (B) The economy's level of investment solely depends on the level of income.
  - (C) The economy will produce at full employment level of output.
  - (D) The economy has an environment of laissez faire".
3. Which type of bank deals with short term credit ?
  - (A) Agricultural bank.
  - (B) Industrial bank.
  - (C) Commercial bank.
  - (D) None of these.
4. An increase in aggregate demand is more likely to lead to demand pull inflation :
  - (A) If aggregate supply is completely elastic.
  - (B) If aggregate supply is completely inelastic.
  - (C) If aggregate supply is unitary elastic.
  - (D) If aggregate supply is moderately elastic.
5. The ——— method consists in deriving conclusions from general truths, takes few general principles and applies them draw conclusions.
  - (A) Inductive.
  - (B) Deductive.
  - (C) Empirical.
  - (D) Scientific.
6. ——— is a term referring to an intellectual controversy over epistemology, research methodology between Carl Menger, and Gustav von Schmoller.
  - (A) Methodenstreit.
  - (B) Laissez-faire.
  - (C) Ceteris Paribus.
  - (D) Quid Proquo.
7. Investment is reckoned by which method for computing GDP :
  - (A) Income Method.
  - (B) Product method.
  - (C) Expenditure Method.
  - (D) Value added Method.

8. Who argued that “Everything that is produced in the course of a year, every service rendered, every fresh utility brought about is a part of the national wealth.” ?
- (A) J. S. Mill. (B) Stanley Jevons  
(C) Alfred Marshall. (D) Robert Malthus
9. Dissaving means :
- (A) That households are spending more than their current incomes.  
(B) The same thing as disinvesting.  
(C) That saving and investment are equal.  
(D) That disposable income is less than zero.
10. Changes in the interest rate affect planned investment spending and hence the equilibrium level of output.
- (A) But this change in investment spending merely causes a movement along the IS curve and not a shift.  
(B) But this change in investment spending is crowded out by higher taxes.  
(C) But this change in investment spending is crowded out by higher government spending.  
(D) but this change in investment spending is crowded out by lower consumer expenditures.
11. In the long-run ISLM model, the long-run effect of a cut in government spending is to :
- (A) Increase real output and the interest rate.  
(B) Increase real output and not affect the interest rate.  
(C) Not affect real output and increase the interest rate.  
(D) Not affect real output and reduce the interest rate.  
(E) Not affect either real output or the interest rate.
12. In the long-run ISLM model, the long-run effect of a tax cut is to :
- (A) Increase real output and the interest rate.  
(B) Increase real output and not affect the interest rate.  
(C) Not affect real output and increase the interest rate.  
(D) Not affect real output and reduce the interest rate.  
(E) Not affect either real output or the interest rate.
13. In the long-run ISLM model, the long-run effect of a fall in net exports is to :
- (A) Increase real output and the interest rate.  
(B) Increase real output and not affect the interest rate.  
(C) Not affect real output and increase the interest rate.  
(D) Not affect real output and reduce the interest rate.  
(E) Not affect either real output or the interest rate.

14. Market does not clear is a proposition of :
- (A) Neoclassical theory. (B) Keynesian Economics.  
(C) Monetarism. (D) Rational expectations.
15. The book "General Theory of Employment, Interest and Money" was published in :
- (A) 1836. (B) 1936.  
(C) 1963. (D) None of these.
16. Real and nominal income is calculated respectively at \_\_\_\_\_.
- (A) Current price and Constant Price. (B) Constant price and Current price.  
(C) Current price and Current price. (D) Constant price and Constant price.
17. Sum of all kinds of income received by the individuals from all sources is called \_\_\_\_\_.
- (A) Personal Income. (B) Private Income.  
(C) Personal Disposable Income. (D) None.
18. The position of IS curve depends on \_\_\_\_\_.
- (A) Rate of interest. (B) Rate of investment.  
(C) Autonomous expenditure (D) None of the above
19. Net investment is equal to :
- (A) Gross investment plus replacement or depreciation.  
(B) Gross investment less replacement or depreciation.  
(C) Gross investment multiply by replacement or depreciation.  
(D) None of the above.
20. Those inflows of money to the government against which a liability of repayment devolves upon the government, is known as :
- (A) Revenue receipts. (B) Capital receipts.  
(C) Revenue expenditure. (D) Capital expenditure.

**FIRST SEMESTER M.A. (CBCSS) REGULAR/SUPPLEMENTARY DEGREE  
EXAMINATION, NOVEMBER 2022**

Economics

ECO1C02—MACRO ECONOMICS : THEORIES AND POLICIES—I

(2019 Admission onwards)

Time : Three Hours

Maximum Weightage : 30

**Part A**

*Answer all questions.*

*Each Bunch of 5 questions carries a weightage 1.*

Multiple choices :

1. Inducement to invest depends upon \_\_\_\_\_.  
(a) Income. (b) Price.  
(c) Investment. (d) None.
2. Transitory income was propounded by \_\_\_\_\_.  
(a) Friedman. (b) Keynes.  
(c) Modigliani. (d) None.
3. Friedman theory of consumption is based on \_\_\_\_\_.  
(a) Absolute income. (b) Permanent income.  
(c) Life time income. (d) None.
4. Concept of demonstration effect is related to \_\_\_\_\_.  
(a) Relative income hypothesis. (b) Permanent income hypothesis.  
(c) Absolute income theory. (d) None.
5. GDP refers to \_\_\_\_\_.  
(a) Gross domestic product (b) Gross national product.  
(c) Gross disposable income. (d) None.
6. Income minus consumption is equal to \_\_\_\_\_.  
(a) Saving. (b) Investment.  
(c) MPC. (d) None.

Turn over

7. When income increases consumption also ———.
- (a) Increases. (b) Decreases.  
(c) Constant. (d) None.
8. Supply creates its own demand is ———.
- (a) Says law of market. (b) Classical dichotomy.  
(c) Wage price flexibility. (d) None.
9. Relation between cost of capital and rate of return is ———.
- (a) Q-ratio of investment. (b) Accelerator.  
(c) Multiplier. (d) None.
10. Permanent income hypothesis is related to :
- (a) Income. (b) Saving.  
(c) Consumption. (d) Investment.
11. Ratchet effect is related to :
- (a) Absolute income hypothesis. (b) Relative income hypothesis.  
(c) Permanent income hypothesis. (d) Life cycle hypothesis.
12. Q ratio was introduced by :
- (a) Tobin. (b) Keynes.  
(c) Baumol. (d) Patinkin.
13. Classical treated money as a ———.
- (a) Medium of exchange. (b) Store of value.  
(c) Both (a) and (b). (d) None.
14. When there is an increase in the autonomous money supply, ceteris paribus, LM shifts :
- (a) Leftward. (b) Rightward.  
(c) No shift. (d) None.
15. An economic model is a statement of relationship among economic ———.
- (a) Variables. (b) Phenomena.  
(c) Development. (d) None of these.

(15 × 1/5 = 3 weightage)

**Part B (Very Short Answer Questions)***Answer any five questions.**Each question carries a weightage of 1.*

- |  |  |
|--|--|
| 16. Marginal efficiency of investment. | 17. High powered money.                |
| 18. Fisher effect.                     | 19. Behavioural model of money supply. |
| 20. Types of investment.               | 21. Keynesian consumption function.    |
| 22. Fiscal policy.                     |  |
| 23. Tobins q ratio.                    |  |

*(5 × 1 = 5 weightage)***Part C (Short Answer Questions)***Answer any seven questions.**Each question carries a weightage of 2.*

24. Endogeneous money supply model.
25. Samuelson's overlapping model.
26. Classical approach to demand for money.
27. Relative income hypothesis.
28. Determinants of investment function.
29. Keynesian approach to demand for money.
30. Derive IS-LM model.
31. Instruments of monetary policy.
32. Types of money.
33. Types of budget.

*(7 × 2 = 14 weightage)***Part D (Essay Questions)***Answer any two questions.**Each question carries a weightage of 4.*

34. Explain post Keynesian theories of demand for money.
35. Discuss policy effectiveness in IS-LM model.
36. Critically evaluate permanent income hypothesis.
37. Discuss three sector macro model.

*(2 × 4 = 8 weightage)*

**FIRST SEMESTER M.A. (CBCSS) (REGULAR/SUPPLEMENTARY) DEGREE  
EXAMINATION, NOVEMBER 2022**

Economics

ECO1C01—MICRO ECONOMICS : THEORY AND APPLICATIONS—I

(2019 Admission onwards)

[Improvement Candidates need not appear for MCQ Part]

(Multiple Choice Questions for SDE Candidates)

**Time : 20 Minutes****Total No. of Questions : 20****Maximum : 5 Weightage****INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.



ECO1C01—MICRO ECONOMICS : THEORY AND APPLICATIONS—I  
(Multiple Choice Questions for SDE Candidates)

1. An inferior good is one for which an increase in income causes a(n) :
  - (A) Decrease in supply.
  - (B) Increase in demand.
  - (C) Increase in supply.
  - (D) Decrease in demand.
2. The price elasticity of demand is defined as :
  - (A) The percentage change in the quantity demanded divided by the percentage change in income.
  - (B) The percentage change in income divided by the percentage change in the quantity demanded.
  - (C) The percentage change in the quantity demanded of a good divided by the percentage change in the price of that good.
  - (D) The percentage change in price of a good divided by the percentage change in the quantity demanded of that good.
3. If the income elasticity of demand for a good is negative, it must be :
  - (A) An elastic good.
  - (B) An inferior good.
  - (C) A normal good.
  - (D) A luxury good.
4. When the price of a product falls for a normal good, the :
  - (A) Income and substitution effects will encourage consumers to purchase more of the product
  - (B) Income and substitution effects will encourage consumers to purchase less of the product.
  - (C) Substitution effect will encourage consumers to purchase less of the product and the income effect will encourage them to purchase more.
  - (D) Substitution effect will encourage consumers to purchase more of the product and the income effect will encourage them to purchase less.
5. Which of the following defines marginal utility ?
  - (A) The change in total utility divided by the price of a product.
  - (B) The maximum amount of satisfaction from consuming a product.
  - (C) The total satisfaction received from consuming as much of the product that is available for consumption.
  - (D) The additional satisfaction received from consuming one more unit of a product.
6. Which is an explanation for why the demand curve is down sloping ?
  - (A) Normal goods.
  - (B) The law of supply.
  - (C) The law of diminishing marginal utility.
  - (D) The law of increasing opportunity cost.

7. The Kinked Demand Curve theory assumes :
- (A) Firms co-operate.
  - (B) Firms act as part of a cartel.
  - (C) Firms are competitive with each other.
  - (D) Firms are not profit maximisers.
8. A model of Game Theory of oligopoly is known as the :
- (A) Prisoner's Dilemma.
  - (B) Monopoly Cell.
  - (C) Jailhouse Sentence.
  - (D) Jury Box.
9. In game theory, a choice that is optimal for a firm no matter what its competitors do is referred to as :
- (A) The dominant strategy.
  - (B) The game-winning choice.
  - (C) Super optimal.
  - (D) A gonzo selection.
10. A prisoners' dilemma is a game with all of the following characteristics except one. Which one is present in a prisoners' dilemma ?
- (A) Players co-operate in arriving at their strategies.
  - (B) Both players have a dominant strategy.
  - (C) Both players would be better off if neither chose their dominant strategy.
  - (D) The pay-off from a strategy depends on the choice made by the other player.
11. Which of the following legal restrictions, if enforced effectively, would be likely to solve a prisoners' dilemma type of problem for the firms involved ?
- (A) A law that prevents a cartel from enforcing rules against cheating.
  - (B) A law that makes it illegal for oligopolists to engage in collusion.
  - (C) A law that prohibits firms in an industry from advertising their services.
  - (D) All of the above would be likely to solve a prisoners' dilemma for the firms.
12. Game theory is concerned with :
- (A) Predicting the results of bets placed on games like roulette.
  - (B) The choice of an optimal strategy in conflict situations.
  - (C) Utility maximization by firms in perfectly competitive markets.
  - (D) The migration patterns of caribou in Alaska.
13. In game theory, the outcome or consequence of a strategy is referred to as the :
- (A) Pay-off.
  - (B) Penalty.
  - (C) Reward.
  - (D) End-game strategy.

14. Which would be an implicit cost for a firm ? The cost :
- (A) Of worker wages and salaries for the firm.
  - (B) Paid for leasing a building for the firm.
  - (C) Paid for production supplies for the firm.
  - (D) Of wages foregone by the owner of the firm.
15. The marginal product of labour curve shows the change in total product resulting from a :
- (A) One-unit increase in the quantity of a particular resource used, letting other resources vary.
  - (B) One-unit increase in the quantity of a particular resource used, holding constant other resources.
  - (C) Change in the cost of a variable resource.
  - (D) Change in the cost of a fixed resource.
16. Variable costs are :
- (A) Sunk costs.
  - (B) Multiplied by fixed costs.
  - (C) Costs that change with the level of production.
  - (D) Defined as the change in total cost resulting from the production of an additional unit of output.
17. The reason the marginal cost curve eventually increases as output increases for the typical firm is because :
- (A) Of diseconomies of scale.
  - (B) Of minimum efficient scale.
  - (C) Of the law of diminishing returns.
  - (D) Normal profit exceeds economic profit.
18. If LAC curve falls as output expands, this is due to \_\_\_\_\_.
- (A) Law of diminishing returns.
  - (B) Economics of scale.
  - (C) Law of variable proportion.
  - (D) Diseconomies of scale.
19. Isoquants are equal to :
- (A) Product Lines.
  - (B) Total utility lines.
  - (C) Cost lines.
  - (D) Revenue lines.
20. According to \_\_\_\_\_ when income increases by a small increment, it leads to increasing marginal utility of income.
- (A) Kaldor.
  - (B) Hicks.
  - (C) Markowitz.
  - (D) Friedman and Savage.

**FIRST SEMESTER M.A. (CBCSS) (REGULAR/SUPPLEMENTARY) DEGREE  
EXAMINATION, NOVEMBER 2022**

Economics

ECO1C01—MICRO ECONOMICS : THEORY AND APPLICATIONS—I

(2019 Admission onwards)

Time : Three Hours

Maximum Weightage : 30

**Part A**

*Answer all questions.*

*Each bunch of 5 questions carries a weightage 1.*

Multiple choices :

1. Theory of game was developed by \_\_\_\_\_.  
(a) Neuman and Morgenstern.      (b) Arrow.  
(c) Kaldord.      (d) None.
2. Transformation curve is called \_\_\_\_\_.  
(a) PPC.      (b) Isoquant.  
(c) Iso revenue.      (d) None.
3. The oligopoly situation where the new firms are not allowed to enter the industry is called \_\_\_\_\_.  
(a) Barriers to entry.      (b) Economies of scale.  
(c) Product differentiation.      (d) None.
4. Oligopoly theory, entry prevention and growth by :  
(a) Sylos Labini.      (b) Modigliani.  
(c) J. Bhagawati.      (d) K.C. Panth.
5. In a constant sum game one player's gain is always another players :  
(a) Loss.      (b) Gain.  
(c) Minimum gain.      (d) Maximum gain.
6. The N.M. utility theory is :  
(a) Cardinal.      (b) Ordinal.  
(c) Behaviourist cardinal.      (d) Behaviourist ordinal.

Turn over

7. An extreme case of oligopoly is :
- (a) Duopoly. (b) Duopsony.  
(c) Monopolistic competition. (d) Pure competition.
8. Nash equilibrium is related to :
- (a) Cost. (b) Production.  
(c) Game. (d) None.
9. Difficulties encountered in entering an industry are often referred as :
- (a) Monopoly. (b) Entry barriers.  
(c) Limit barriers. (d) Patent.
10. In the case of CD production function, output elasticity of an input is :
- (a) Constant. (b) Unity.  
(c) A function of all the inputs. (d) Indeterminate.
11. Localization means :
- (a) Territorial division of labour.  
(b) Concentration of industry in a particular area.  
(c) Specialization by areas or regions.  
(d) All the above.
12. In Bernoulli's view, the marginal utility of money diminishes as ———.
- (a) Money income increases. (b) Money income decreases.  
(c) Both. (d) None.
13. Oligopoly characterized by :
- (a) Two sellers. (b) One seller.  
(c) Few seller. (d) Few buyers.
14. All the following curves are U shaped except :
- (a) AVC. (b) AFC.  
(c) MC. (d) AC.
15. Games in which the gain of one player equals the loss of other are called :
- (a) Zero sum game. (b) Non-zero sum game.  
(c) Prisoners dilemma. (d) Pure strategy.

(15 × 1/5 = 3 weightage)

**Part B (Very Short Answer Questions)***Answer any five questions.**Each question carries a weightage of 1.*

- |                          |  |
|--------------------------|--|
| 16. Externality.         | 17. Explain risk spreading.            |
| 18. Prisoners dilemma.   | 19. Elasticity of factor substitution. |
| 20. Kinked demand curve. | 21. Explicit cost.                     |
| 22. Nash equilibrium.    | 23. Veblen effect.                     |

*(5 × 1 = 5 weightage)***Part C (Short Answer Questions)***Answer any seven questions.**Each question carries a weightage of 2.*

24. Attribute theory of demand.
25. Differentiate pure strategy and fixed strategy.
26. Explain constant elasticity of demand function.
27. Explain Friedman-Savage hypothesis.
28. Explain the merits and demerits of CES production function.
29. Discuss homogeneous production function.
30. Discuss Long run cost function.
31. Discuss Barometric price leadership.
32. Explain learning curve.
33. Explain the relationship between technical progress and production function.

*(7 × 2 = 14 weightage)***Part D (Essay Questions)***Answer any two questions.**Each question carries a weightage of 4.*

34. Explain the state preference theory.
35. Explain Markowitz hypothesis.
36. Explain the logical base of the theory of demand and choice under uncertainty.
37. Critically evaluate the forms of cartel.

*(2 × 4 = 8 weightage)*

**FIRST SEMESTER M.A. DEGREE (REGULAR/SUPPLEMENTARY)  
EXAMINATION, NOVEMBER 2021**

(CBCSS–SDE/Private)

Economics

ECO 1C 04—QUANTITATIVE METHODS FOR ECONOMIC ANALYSIS—I

(2019 Admission onwards)

[Improvement Candidates need not appear for MCQ Part)]

(Multiple Choice Questions for SDE Candidates)

**Time : 20 Minutes**

**Total No. of Questions : 20**

**Maximum : 5 Weightage**

**INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
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4. The MCQ question paper will be supplied after the completion of the descriptive examination.

## ECO 1C 04—QUANTITATIVE METHODS FOR ECONOMIC ANALYSIS—I

(Multiple Choice Questions for SDE Candidates)

1. Which of the following is not a type of matrix ?
  - (A) Square Matrix.
  - (B) Scalar Matrix.
  - (C) Trace Matrix.
  - (D) Term Matrix.
2. The concept of Eigen values and vectors is applicable to ?
  - (A) Scalar matrix.
  - (B) Identity matrix.
  - (C) Upper triangular matrix.
  - (D) Square matrix.
3. Determinant value of a singular Matrix :
  - (A) 0.
  - (B) Not equal to 0.
  - (C) Any value.
  - (D) None of the above.
4. \_\_\_\_\_ is equal to the maximum number of linearly independent row vectors in a matrix.
  - (A) Row matrix.
  - (B) Rank of a matrix.
  - (C) Term matrix.
  - (D) Linear matrix.
5. The cofactor is always preceded by a ?
  - (A) Positive (+) sign.
  - (B) Negative (–) sign.
  - (C) Positive (+) or negative (–) sign.
  - (D) With decimal.
6. What is the transpose of cofactor matrix ?
  - (A) Inverse matrix.
  - (B) Singular matrix.
  - (C) Non singular matrix.
  - (D) Adjoint of a matrix.
7. Rank of a matrix :
  - (A) Highest non negative minor.
  - (B) Highest negative minor.
  - (C) Both (A) and (B).
  - (D) Highest non zero minor.



8. Which of the following are true ?

- (A)  $f(x) = ax^n$  implies  $f'(x) = anx^{n-1}$ .  
 (B)  $f(x) = ax^n$  implies  $f'(x) = anx^{n+1}$ .  
 (C)  $f(x) = ax^n$  implies  $f'(x) = anx^n$ .  
 (D) None of the above.

9. \_\_\_\_\_ are the conditions for maximum and minimum of a function

- (A)  $f'$  is equal to zero and  $f''$  is negative.  
 (B) First derivative of a function is zero and second derivative is positive.  
 (C) Both (A) and (B) are true.  
 (D) (A) only.

10. When cross elasticity of demand is positive value, what are the types of goods they are ?

- (A) Substitute goods. (B) Complimentary good.  
 (C) Normal good. (D) Inferior good.

11.  $y = e^{2x+3}$ , what is  $\frac{dy}{dx}$  ?

- (A)  $e^{2x+3}$ . (B)  $x+3$ .  
 (C) 2. (D)  $2e^{2x+3}$ .

12.  $q = 25 - 2p$  and  $q = 10 + p$ . What is the equilibrium level of price ?

- (A) 5. (B) 15.  
 (C) -5. (D) -15.

13.  $\int \frac{1}{x} dx = ?$

- (A)  $x + c$ . (B)  $1/x + c$ .  
 (C)  $\log x + c$ . (D)  $\frac{1}{x^2} + c$ .

14.  $y = \frac{1}{x}$   $\frac{d^2y}{dx^2} = ?$

- (A)  $-\frac{1}{x^2}$ . (B)  $\frac{1}{x^2}$ .  
 (C)  $-\frac{2}{x^3}$ . (D)  $\frac{2}{x^3}$ .

15.  $y = x^2 + 2x + 2$ , What is the value of  $x$  ?
- (A) 1. (B) 2.  
(C) -1. (D) 1.
16. The sum of third and ninth term of an A.P is 8. Find the sum of the first 11 terms of the progression :
- (A) 44. (B) 22.  
(C) 19. (D) None of the above.
17. If a rubber ball consistently bounces back of the height from which it is dropped, what fraction of its original height will the ball bounce after being dropped and bounced four times without being stopped ?
- (A)  $\frac{16}{81}$ . (B)  $\frac{16}{27}$ .  
(C)  $\frac{4}{9}$ . (D)  $\frac{37}{81}$ .
18. A project assumed monetary gain or loss by discounting entire cash inflows and outflows by utilising the necessary rate of return is listed as :
- (A) Net recorded cash value. (B) Net discounted value.  
(C) Net future value. (D) Net present value.
19. Which method in a capital budgeting is based on the discounted cash flow ?
- (A) Net equity budgeting method. (B) Net capital budgeting method.  
(C) Net future value method. (D) Net present value method.
20. Internal rate of return is :
- (A) The rate at which discounted cash inflow is equal to the discounted cash outflow.  
(B) The rate at which discounted cash inflow is less than discounted cash outflow.  
(C) The rate at which discounted cash inflow is more than discounted cash outflow.  
(D) None of the above.

**FIRST SEMESTER M.A. DEGREE (REGULAR/SUPPLEMENTARY)  
EXAMINATION, NOVEMBER 2021**

(CBCSS–SDE/Private)

Economics

ECO 1C 04—QUANTITATIVE METHODS FOR ECONOMIC ANALYSIS—I

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

**Part A**

*Answer all questions.*

*Each bunch of five questions carries a weightage of 1.*

Multiple Choice Questions :

1. A function whose range consist only one element is \_\_\_\_\_.

- a) Linear Function.                      b) Quadratic Function.  
c) Cubic Function.                      d) Constant Function.

2. What is the limit of the function  $\lim_{x \rightarrow 1} (3x^3 - 2x^2 + x + 4)$  ?

- a) 2.    b) 4.  
c) 6.    d) 8.

3.  $A = \begin{bmatrix} 5 & 0 & 0 \\ 0 & 6 & 0 \\ 0 & 0 & 2 \end{bmatrix}$  is an example of :

- a) Diagonal matrix.                      b) Scalar matrix.  
c) Rectangular matrix.                      d) None of these.

4. Find determinant A if  $A = \begin{bmatrix} 4 & 2 & 4 \\ 0 & 1 & 4 \\ 0 & 0 & 4 \end{bmatrix}$  :

a) 12.

b) 16.

c) 8.

d) 4.

5.  $\lim_{x \rightarrow 1} (x^2 + 7)$  is:

a) 12.

b) 6.

c) 8.

d) 0.

6. Graph of  $x = 8y^2$  is:

a) Straight line.

b) Parabola.

c) Hyperbola.

d) None of these.

7.  $\int \sqrt{x} dx = \underline{\hspace{2cm}}$ .

a)  $\frac{1}{2\sqrt{x}}$ .

b)  $\frac{1}{3\sqrt{x}}$ .

c)  $\frac{2}{3}x^{\frac{3}{2}}$ .

d)  $\frac{3x^{\frac{3}{2}}}{2}$ .

8. Find  $\frac{dy}{dx}$  when  $y = e^{\frac{2}{x}}$  :

a)  $e^{2x}$ .

b)  $2e^{2x}$ .

c)  $2e^x$ .

d)  $\frac{1}{2}e^{\frac{2}{x}}$ .



15. Evaluate  $\int 4x^8 dx$ :

a)  $2x^3 + C.$

b)  $4 \frac{x^8}{3} + C.$

c)  $4 \frac{x^9}{9} + C.$

d) None of these.

(3 × 1 = 3 weightage)

**Part B (Very Short Answer Questions)**

*Answer any five questions.*

*Each question carries a weightage of 1.*

16. If  $A = \begin{bmatrix} 1 & 6 \\ 2 & 4 \end{bmatrix}$ ,  $B = \begin{bmatrix} 4 & -7 \\ 3 & 5 \end{bmatrix}$ ,  $C = \begin{bmatrix} 1 & 9 \\ -8 & 2 \end{bmatrix}$ . Find the value of  $3A + 2B - 4C$ .

17. Evaluate  $\lim_{x \rightarrow 5} \frac{x^2 - 10}{x + 10}$ .

18. Find the derivative of the function  $y = \frac{x^2 - 1}{x^2 + 1}$ .

19. Examine the Maxima and Minima of the following function :  $Z = 3x^2 + y^2 + 3xy$ .

20. Find Marginal Revenue from the given Total Revenue (TR) function and evaluate it at  $Q = 3$  and  $Q = 6$ .  $TC = 24Q - 2Q^2$ .

21. Find the value of Rs. 1,000 at 10 percent interest for 2 years compounded annually.

22. Find the total differential of  $Z = \frac{x^2 + y^2}{x^2 - y^2}$ .

23. Find the differential co-efficient of  $4x^3 + 3x^2 - 2x + 7$ .

(5 × 1 = 5 weightage)

## Part C (Short Answer Questions)

Answer any seven questions.

Each question carries a weightage of 2.

24. Find the rank of a matrix  $A = \begin{bmatrix} 2 & 3 & 5 & 1 \\ 1 & 2 & 3 & 2 \\ 1 & 3 & 4 & 5 \end{bmatrix}$ .

25. Write a note on application of derivatives in Economics.

26. If the demand function is  $P = 25 - 3x - 3x^2$  and the demand  $x_0$  is 2, what will be the consumer's surplus?

27. Solve the following difference equation and check the answer at  $t=0$  and  $t=1$   
 $16y_{t-2} - 4y_{t-3} = 240$  and  $y_0 = 56$ .

28. Suppose the initial investment on a project is estimated as Rs. 25,000 and the cost of capital is 10 Percent, estimate the Net Present Value of the future cash flows after tax given below and state whether the project will be accepted or not :

Year	1	2	3	4	5
Cash flow (in Rs.)	9000	8000	7000	6000	5000

29. Use matrix inversion to solve the following linear equations :

$$2x_1 + 4x_2 = 16$$

$$x_1 - 3x_2 = -7.$$

30. Evaluate  $\int \frac{3x^2 + 4x - 5}{\sqrt{x}} dx$ .

31. Find the total differential of  $Z = (x^2 + y)(2x - y^2)$ .

32. Investigate the maximum or minimum value of the following function :

$$Z = 48 - 4x^2 - 2y^2 + 16x + 12y.$$

33. Given the demand function  $P = 8 - 2x$  and the supply function  $P = 2 + x$ , Find consumer's Surplus and producer's surplus.

(7 × 2 = 14 weightage)

**Part D (Essay Questions)**

*Answer any two questions.*

*Each question carries a weightage of 4.*

34. Minimise the cost of a firm producing two goods  $x$  and  $y$ , when

$$TC = 16x^2 - 2xy + 24y^2$$

Subject to the constraint  $x + y = 84$ .

35. Find the profit maximisation level of output, profit, Total Revenue, Average Revenue, Marginal Revenue, Total Cost, Average Cost and Marginal Cost given the demand

$$\text{Function } q = \frac{P}{5} - 40 \text{ and Average Cost function } AC = 100 + 10q.$$

36. Solve the following linear equations using Matrix inversion method :

$$2x - 4y + 3z = 3$$

$$4x - 6y + 5z = 2$$

$$-2x + y - z = 1.$$

37. Briefly explain the applications of differential and difference equations in Economics.

(2 × 4 = 8 weightage)



**FIRST SEMESTER M.A. DEGREE (REGULAR/SUPPLEMENTARY)  
EXAMINATION, NOVEMBER 2021**

(CBCSS–SDE/Private)

Economics

ECO 1C 03—INDIAN ECONOMY : PROBLEMS AND POLICIES

(2019 Admission Onwards)

[Improvement Candidates need not appear for MCQ Part]

(Multiple Choice Questions for SDE Candidates)

**Time : 20 Minutes**

**Total No. of Questions : 20**

**Maximum : 5 weightage**

**INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
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## ECO 1C 03—INDIAN ECONOMY : PROBLEMS AND POLICIES

(Multiple Choice Questions for SDE Candidates)

1. Economic Planning is a subject :
  - (A) In the Union List.
  - (B) In the State List.
  - (C) In the Concurrent List.
  - (D) Unspecified in any special list.
2. 'Take off stage' in an economy means :
  - (A) Steady growth begins.
  - (B) Economy is stagnant.
  - (C) Economy is about to collapse.
  - (D) All controls are removed.
3. India has :
  - (A) Socialistic economy.
  - (B) Gandhian economy.
  - (C) Mixed economy.
  - (D) Free economy.
4. The decentralisation system was recommended by :
  - (A) C. Rajagopalachari.
  - (B) J.B. Kripalani.
  - (C) Balwant Rai Mehta.
  - (D) Ashok Mehta.
5. Rolling plan was designed for the period :
  - (A) 1978-83.
  - (B) 1980-85.
  - (C) 1985-90.
  - (D) 1974-97.
6. The contribution of agriculture to India's economy is :
  - (A) Increasing.
  - (B) Decreasing.
  - (C) Constant.
  - (D) None of these.
7. In which of the Five Year Plans, preference was given to the weaker sections of the society ?
  - (A) Second.
  - (B) Third.
  - (C) Fourth.
  - (D) Fifth.
8. Who among the following was the first Chairman of the Planning Commission ?
  - (A) Dr. Rajendra Prasad.
  - (B) Pt. Jawahar Lal Nehru.
  - (C) Sardar Vallabhbhai Patel.
  - (D) J.B. Kripalani.

9. Absolute Poverty means :
- (A) Poverty in terms of absolute number of people.
  - (B) Poverty in terms of the basic minimum calorie requirements.
  - (C) Poverty in terms of the prevailing price level.
  - (D) Poverty in terms of the absolute level of unemployment.
10. The Food For Work programme was renamed as :
- (A) Rural Landless Employment Guarantee Programme (RLEGP).
  - (B) National Rural Employment Programme (NREP).
  - (C) Jawahar Rozgar Yojana (JRY).
  - (D) Integrated Rural Development Programme (IRDP).
11. Black money is :
- (A) Counterfeit currency.
  - (B) Illegally earned money.
  - (C) Money earned through underhand deals.
  - (D) Income on which payment of tax is usually evaded.
12. The Issue Department of the RBI maintains a \_\_\_\_\_ against printing of notes :
- (A) Minimum Reserve System.
  - (B) Proportional Reserve System.
  - (C) Proportional Gold Reserve System.
  - (D) Proportional Foreign Securities Reserve System.
13. National income estimation in India is the responsibility of :
- (A) NSSO.
  - (B) CSO.
  - (C) Finance Ministry.
  - (D) National Income Committee.
14. Which one of the following brings out the publication called 'Energy Statistics' from time to time ?
- (A) Central Power Research Institute.
  - (B) Planning Commission.
  - (C) PFCL.
  - (D) Central Statistical Organization.

15. The headquarters of UNFCCC is located at :
- (A) Geneva. (B) Berlin.  
(C) Tokyo. (D) Bonn.
16. The phenomena of increasing prices but declining output and employment indicates :
- (A) Disinflation. (B) Stagflation.  
(C) Reflation. (D) Open inflation.
17. Which of the authority is entrusted to retain the foreign exchange reserve of the country ?
- (A) SEBI. (B) Central Government.  
(C) RBI. (D) EXIM Bank.
18. The lowering of bank rate by the RBI leads to :
- (A) Mobilization of more deposits by commercial banks.  
(B) More liquidity in the market.  
(C) Less liquidity in the market.  
(D) Rise in the market rate of interest.
19. 'Pradhan Mantri Jan-Dhan Yojana' has been launched for :
- (A) Providing housing loan to poor people at cheaper interest rates.  
(B) Promoting women sel-help groups in backward areas.  
(C) Promoting financial inclusion in the country.  
(D) Providing financial help to the marginalized communities.
20. Which of the following contributes largest share in the tax revenue of India ?
- (A) Service tax. (B) Wealth tax.  
(C) Income tax. (D) Securities transaction tax.

FIRST SEMESTER M.A. DEGREE (REGULAR/SUPPLEMENTARY)  
EXAMINATION, NOVEMBER 2021

(CBCSS–SDE/Private)

Economics

ECO 1C 03—INDIAN ECONOMY : PROBLEMS AND POLICIES

(2019 Admission Onwards)

Time : Three Hours

Maximum : 30 Weightage

**Part A**

*Answer all questions.*

*Each bunch of five questions carries a weightage of 1.*

1. The book Good Economics for Hard Times was authored by :
  - (a) Paul Krugman.
  - (b) Robert Barro.
  - (c) Abhijit Banerjee and Esther Duflo.
  - (d) None of the above.
2. Which was the first country in the world to introduce GST ?
  - (a) France.
  - (b) Italy.
  - (c) U.K.
  - (d) Japan.
3. Economic planning is in :
  - (a) Union list.
  - (b) State list.
  - (c) Concurrent list.
  - (d) Not any specified list.
4. The outlines of Second five year plan was made by :
  - (a) B. N. Gadgil.
  - (b) V.K.R.V. Rao.
  - (c) P. C. Mahalanobis.
  - (d) C. N. Vakil.
5. Which plan was terminated one year before the time schedule ?
  - (a) First plan.
  - (b) Third plan.
  - (c) Sixth plan.
  - (d) Fifth plan.
6. UDAY YOJANA is associated with :
  - (a) Panchayat Raj.
  - (b) Women empowerment.
  - (c) Energy distribution.
  - (d) Banking sector.

Turn over

7. Swaroop Committee is associated with :
- (a) Financial product marketing. (b) Sugar marketing.  
(c) Capital marketing. (d) Banking.
8. What is India's rank of international intellectual property index 2019 ?
- (a) 42. (b) 43.  
(c) 36. (d) 45.
9. Operation green is related to :
- (a) Environmental pollution control. (b) Green manual.  
(c) Afforestation. (d) Better remunerative price to tomato, onion, potato.
10. In which year MUDRA micro units development and refinance agency was established :
- (a) 1991. (b) 2001.  
(c) 2012 (d) 2015.
11. As per census 2011 Kerala holds the highest sex ratio among states which stands at :
- (a) 1046. (b) 1084.  
(c) 1092. (d) 1103.
12. National Population Policy was announced in the year :
- (a) 2005. (b) 2000..  
(c) 1983. (d) 2010.
13. Kerala state came into existence on :
- (a) November 1, 1960. (b) November 1,1956.  
(c) August 1, 1961. (d) August 1,1956.
14. Which is true for finance commission ?
- (a) It is statutory body.  
(b) It is constituted under article 280 of the constitution.  
(c) NK Singh is chairman of 15th finance commission.  
(d) All of the above.
15. The child sex ratio of India as per 2011 Census :
- (a) 940. (b) 936.  
(c) 913. (d) None of these.

**Part B (Very Short Answer Questions)**

*Answer any five questions.*

*Each question carries a weightage of 1.*

16. Explain economic liberalization.
17. Write a note on fiscal policy reforms.
18. Explain head line inflation.
19. Explain background of economic reforms.
20. Write a note on achievements of decentralization.
21. Explain industrial backwardness in Kerala.
22. Explain GST.
23. Explain CSO.

(5 × 1 = 5 weightage)

**Part C (Short Answer Question)**

*Answer any seven questions.*

*Each question carries a weightage of 2.*

24. Discuss the major structural changes in India since reforms.
25. Analyze the trend and pattern of economic growth in India.
26. Discuss the features of Migration in India.
27. Explain the state of inequality in India.
28. Examine the agricultural performance in Kerala economy.
29. Examine the migration of casual workers to Kerala.
30. Explain the major challenges of the Indian economy.
31. Explain the trade policy reforms in India.
32. Discuss the techniques of planning in India.
33. Examine the trends in the service sector growth rate in India.

(7 × 2 = 14 weightage)

**Turn over**

**Part D (Essay Questions)**

*Answer any two questions.*

*Each question carries a weightage of 4.*

34. Examine the regional disparity in the growth and development in India.
35. Discuss the features of health and education sectors in Kerala
36. Explain the assessment of Indian agriculture and recent initiatives by the government for its growth.
37. Examine the poverty and unemployment in Kerala.

(2 × 4 = 8 weightage)

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**FIRST SEMESTER M.A. DEGREE (REGULAR/SUPPLEMENTARY)  
EXAMINATION, NOVEMBER 2021****(CBCSS–SDE/Private)****Economics****ECO 1C 02—MACRO ECONOMICS : THEORIES AND POLICIES—I****(2019 Admission onwards)****[Improvement Candidates need not appear for MCQ Part)]****(Multiple Choice Questions for SDE Candidates)****Time : 20 Minutes****Total No. of Questions : 20****Maximum : 5 Weightage****INSTRUCTIONS TO THE CANDIDATE**

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## ECO 1C 02—MACRO ECONOMICS : THEORIES AND POLICIES—I

(Multiple Choice Questions for SDE Candidates)

1. As disposable income goes up, the :
  - (A) Average propensity to consume falls.
  - (B) Volume of investment diminishes.
  - (C) Average propensity to save falls.
  - (D) Volume of consumption declines absolutely.
2. Other things equal, if the real interest rate falls and business taxes rise :
  - (A) We can be certain that investment will rise.
  - (B) Investment will rise until it is equal to saving.
  - (C) We can be certain that investment will fall.
  - (D) We will be uncertain as to the resulting change in investment.
3. An increase in investment is caused by :
  - (A) Lower interest rates.
  - (B) Expectations of lower national income.
  - (C) A decrease in the marginal propensity to consume.
  - (D) An increase in withdrawals.
4. Demand pull inflation may be caused by :
  - (A) An increase in cost.
  - (B) A decrease in interest rate.
  - (C) A reduction in government spending.
  - (D) An outward shift of aggregate supply.
5. Which of the following phases describes the phase of business cycle that occurs after a trough and before a peak ?
  - (A) Lag.
  - (B) Consolidation.
  - (C) Expansion.
  - (D) Contraction.
6. \_\_\_\_\_ is a term referring to an intellectual controversy over epistemology, research methodology between Carl Menger, and Gustav von Schmoller.
  - (A) Methodenstreit.
  - (B) Laissez-faire.
  - (C) Ceteris Paribus.
  - (D) Quid Proquo.

7. Investment is reckoned by which method for computing GDP :
- (A) Income Method. (B) Product method.  
(C) Expenditure Method. (D) Value added Method.
8. Who argued that national income is simply equal to “net product of agriculture” ?
- (A) Mercantilists. (B) Physiocrats.  
(C) Classical Economists. (D) Neo Classical Economists.
9. A period of expansion and contraction measured by real GDP is called :
- (A) Business cycle. (B) Expansion.  
(C) Recession. (D) Contraction.
10. Changes in the interest rate affect planned investment spending and hence the equilibrium level of output :
- (A) But this change in investment spending merely causes a movement along the IS curve and not a shift.  
(B) But this change in investment spending is crowded out by higher taxes.  
(C) But this change in investment spending is crowded out by higher government spending.  
(D) But this change in investment spending is crowded out by lower consumer expenditures.
11. Factors that cause the IS curve to shift include :
- (A) Changes in autonomous consumer spending.  
(B) Changes in government spending.  
(C) Changes in investment spending related to a change in the interest rate.  
(D) Only (A) and (B) of the above.
12. In the long-run ISLM model, the long-run effect of a tax cut is to :
- (A) Increase real output and the interest rate.  
(B) Increase real output and not affect the interest rate.  
(C) Not affect real output and increase the interest rate.  
(D) Not affect real output and reduce the interest rate.  
(E) Not affect either real output or the interest rate.

13. In the long-run ISLM model, the long-run effect of an autonomous increase in investment is to :
- (A) Increase real output and the interest rate.
  - (B) Increase real output and not affect the interest rate.
  - (C) Not affect real output and increase the interest rate.
  - (D) Not affect real output and reduce the interest rate.
  - (E) Not affect either real output or the interest rate.
14. Who invented the General Equilibrium analysis ?
- (A) L. Walras.
  - (B) W. Leontief.
  - (C) J.M.Keynes.
  - (D) None of these.
15. The interest rate paid on bonds is known as :
- (A) Call rate.
  - (B) Coupon rate.
  - (C) Repo rate.
  - (D) Bank rate.
16. Macroeconomics became popular after \_\_\_\_\_.
- (A) Great depression of 1929-33.
  - (B) 1972-73.
  - (C) 1996-97.
  - (D) 2006-07.
17. GDP Deflator is equal to \_\_\_\_\_.
- (A)  $\text{Nominal GDP} / \text{Real GDP} \times 100$ .
  - (B)  $\text{Real GDP} / \text{Nominal GDP} \times 100$ .
  - (C)  $\text{Nominal GNP} / \text{Real GNP} \times 100$ .
  - (D)  $\text{Nominal NDP} / \text{Real NDP} \times 100$ .
18. A temporary unemployment which exists during the period of the transfer of labor from occupation to another is called :
- (A) Voluntary Unemployment.
  - (B) Involuntary Unemployment.
  - (C) Cyclical Unemployment.
  - (D) Frictional Unemployment.
19. The curve which relates the level of income with the rate of interest which is determined money-market equilibrium corresponding to different levels of demand for money is known as :
- (A) IS curve.
  - (B) LM curve.
  - (C) Income curve.
  - (D) None of the above.
20. Those inflows of money to the government against which a liability of repayment devolves upon the government, is known as :
- (A) Revenue receipts.
  - (B) Capital receipts.
  - (C) Revenue expenditure.
  - (D) Capital expenditure.

**FIRST SEMESTER M.A. DEGREE (REGULAR/SUPPLEMENTARY)  
EXAMINATION, NOVEMBER 2021**

(CBCSS–SDE/Private)

Economics

ECO 1C 02—MACRO ECONOMICS : THEORIES AND POLICIES—I

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

**Section A**

*Answer all questions.*

*Each bunch of five questions carries a weightage of 1*

Multiple Choices :

1. Keynes hold that consumption function is :
  - a) Unstable.
  - b) Partially stable.
  - c) Stable.
  - d) Not certain.
2. The optimum capital stock is achieved when the user cost of capital is equal to :
  - a) Interest rate.
  - b) The depreciation rate.
  - c) The marginal product of capital.
  - d) Tobins'Q.
3. The flatter the LM curve, the :
  - a) Larger is the Government expenditure.
  - b) Larger is the price level.
  - c) Larger is the money supply.
  - d) Larger is the interest sensitiveness of money demand.
4. Patinkin has established the neutrality of money through :
  - a) Price effect.
  - b) Income effect.
  - c) Real balance effect.
  - d) None of these.

Turn over

5. Tobin Q ratio is related to :
- a) Cost.
  - b) Profit.
  - c) Supply.
  - d) Investment.
6. Difference between planned investment and actual investment is called :
- a) Inventory.
  - b) Export.
  - c) Import.
  - d) Realized investment.
7. Velocity of money is assumed to be constant by :
- a) Keynes.
  - b) Classical.
  - c) Hansen.
  - d) ISLM theory.
8. Which of the following is not an instrument of fiscal policy control :
- a) Personal income tax.
  - b) Transfer payments.
  - c) Corporate income tax.
  - d) Bank rate.
9. Super multiplier refers to :
- a) Interaction of multiplier and accelerator.
  - b) Reciprocal of MPC.
  - c) Capital output ratio.
  - d) Budget multiplier.
10. An increase in the money supply have no effect upon equilibrium income if :
- a) LM is steeply by sloped IS is relatively flat.
  - b) LM steeply sloped and IS is vertical.
  - c) LM is vertical and IS steeply sloped.
  - d) LM is relatively flat as the IS.
11. Interest is regarded by Keynes as purely :
- a) Psychological phenomenon.
  - b) Real phenomenon.
  - c) Abstract phenomenon.
  - d) Monetary phenomenon.

12. Milton Friedman argues that consumption is proportional to :
- a) Taxes.
  - b) Price level.
  - c) Transitory income.
  - d) Permanent income.
13. Permanent income hypothesis is related to :
- a) Income.
  - b) Saving.
  - c) Consumption.
  - d) Investment.
14. Ratchet effect is related to :
- a) Absolute income hypothesis.
  - b) Relative income hypothesis.
  - c) Permanent income hypothesis.
  - d) Life cycle hypothesis.
15. Q ratio was introduced by :
- a) Tobin.
  - b) Keynes.
  - c) Baumol.
  - d) Pattinkin.

(15 × 1/5 = 3 weightage)

**Section B (Very Short Answer Questions)**

*Answer any five questions.*

*Each question carries a weightage of 1.*

- 16. Cost push inflation.
- 17. Walrasian system.
- 18. Crowding out effect.
- 19. Consumption puzzle.
- 20. Says law.
- 21. Explain induced investment.
- 22. Liquidity trap.
- 23. Near money.

(5 × 1 = 5 weightage)

**Turn over**

**Section C (Short Answer Questions)**

*Answer any seven questions.*

*Each question carries a weightage of 2.*

24. What is meant by inflation targeting.
25. Tobin's portfolio theory of asset holding.
26. What is Keynes effect ? Explain if diagrammatically.
27. Explain the permanent income hypothesis.
28. Describe the Arrow-Debreu model.
29. Explain the multiplier-accelerator interaction.
30. Explain psychological law of consumption.
31. Examine the impact of the shift in the IS and LM schedules in the Keynesian Model.
32. Explain objectives of fiscal policy.
33. Baumol inventory approach.

(7 × 2 = 14 weightage)

**Section D (Essay Questions)**

*Answer any two questions.*

*Each question carries a weightage of 4.*

34. Illustrate general equilibrium model. Examine Keynesian and Neo classical version of ISLM Model.
35. Explain Friedman's approach to the demand for money.
36. Critically examine quantity theory of money. Does an increase in money supply always lead to proportionate increase in price.
37. Explain the three sector macro model.

(2 × 4 = 8 weightage)



**FIRST SEMESTER M.A. DEGREE [REGULAR/SUPPLEMENTARY]  
EXAMINATION, NOVEMBER 2021**

(CBCSS—SDE/Private)

Economics

ECO 1C 01—MICRO ECONOMICS : THEORY AND APPLICATIONS—I

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

**Part A**

*Answer all questions.*

*Each bunch of 5 questions carries a weightage of 1.*

Multiple choices :

- Graphically the effect of innovation in production process is shown by \_\_\_\_\_.
  - Technical progress.
  - Expansion path.
  - Returns to scale.
  - None.
- Price rigidity under oligopoly was first explained by \_\_\_\_\_.
  - Sweezy.
  - Bain.
  - Bhagwathi.
  - None.
- A group of firm that have joined together to make agreements on pricing and market strategy is called \_\_\_\_\_.
  - Cartel.
  - Price leadership.
  - Non-collusive oligopoly.
  - None.
- St. Peter's burg paradox was formulated by \_\_\_\_\_.
  - Bernoulli.
  - Neumann.
  - Friedman.
  - None.
- Cross elasticity of demand between tea and sugar is Willingness to pay minus actual payment is equal to \_\_\_\_\_.
  - Consumer surplus.
  - Producers surplus.
  - Demand.
  - None.

Turn over

6. Market situation in which only two seller is called ———.
- (a) Duopoly. (b) Monopoly.  
(c) Oligopoly. (d) None.
7. Neutral technical progress refers to ———.
- (a)  $MPL = MPK$ . (b)  $MPL$  greater than  $MPK$ .  
(c)  $MPL$  less than  $MPK$ . (d) None.
8. Who evolved the concept of selling cost ?
- (a) Chamberlin. (b) Sweezy.  
(c) Edgeworth. (d) None.
9. When return to scale increases the transformation curve would be ———.
- (a) Convex. (b) Concave.  
(c) U shape. (d) None.
10. Functions including lagged values of demand or income or other variables are called ———.
- (a) Distributed lag models.  
(b) Constant elasticity demand function.  
(c) LES.  
(d) None.
11. Comparative static analysis was developed by ———.
- (a) Oppenheimer. (b) Ricardo.  
(c) Adam Smith. (d) None.
12. Characteristic theory of demand was developed by ———.
- (a) Lancaster. (b) Pigou.  
(c) Arrow. (d) None.
13. Localization means :
- (a) Territorial division of labour.  
(b) Concentration of industry in a particular area.  
(c) Specialization by areas or regions.  
(d) All the above.

14. In Bernoulli's view, the marginal utility of money diminishes as \_\_\_\_\_.
- (a) Money income increases.                      (b) Money income decreases.  
 (c) Both.    (d) None.
15. Oligopoly characterized by :
- (a) Two sellers.    (b) One seller.  
 (c) Few seller.    (d) Few buyers.

(15 × 1/5 = 3 weightage )

**Part B (Very Short Answer Questions)**

*Answer any five questions.*

*Each question carries a weightage of 1.*

16. Diversification.
17. Maximin minimax principle.
18. Stock adjustment principle.
19. Constant elasticity of demand function.
20. Bandwagon effect.
21. Types of homogeneous production function.
22. Chamberlin model.
23. Types of game.

(5 × 1 = 5 weightage)

**Part C (Short Answer Questions)**

*Answer any seven questions.*

*Each question carries a weightage of 2.*

24. Hicks logical ordering theory of demand.
25. Habit creation principle.
26. Features of oligopoly.
27. CES production function.
28. Types of externality.

**Turn over**

29. Features of game.
30. Bertrand model.
31. Risk aversion and indifference curve.
32. Modern theory of cost.
33. Edgeworth duopoly model.

(7 × 2 = 14 weightage)

**Part D (Essay Questions)**

*Answer any two questions.*

*Each question carries a weightage of 4.*

34. Explain N-M utility index.
35. Discuss Stackelberg duopoly model.
36. Explain the significance of game theory in economic analysis.
37. Discuss Household portfolio decision under risk.

(2 × 4 = 8 weightage)

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Economics

ECO 1C 01—MICRO ECONOMICS : THEORY AND APPLICATIONS—I

(2019 Admission onwards)

[Improvement Candidates need not appear for MCQ Part]

(Multiple Choice Questions for SDE Candidates)

**Time : 20 Minutes**

**Total No. of Questions : 20**

**Maximum : 5 Weightage**

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## ECO 1C 01—MICRO ECONOMICS : THEORY AND APPLICATIONS—I

(Multiple Choice Questions for SDE Candidates)

1. The law of supply states that an increase in the price of a good :
  - (A) None of these answers.
  - (B) Increases the quantity supplied of that good.
  - (C) Decreases the demand for that good.
  - (D) Decreases the quantity demanded for that good.
2. An inferior good is one for which an increase in income causes a(n) :
  - (A) Decrease in supply.
  - (B) Increase in demand.
  - (C) Increase in supply.
  - (D) Decrease in demand.
3. The price elasticity of demand is defined as :
  - (A) The percentage change in the quantity demanded divided by the percentage change in income.
  - (B) The percentage change in income divided by the percentage change in the quantity demanded.
  - (C) The percentage change in the quantity demanded of a good divided by the percentage change in the price of that good.
  - (D) The percentage change in price of a good divided by the percentage change in the quantity demanded of that good.
4. If the cross-price elasticity between two goods is negative, the two goods are likely to be :
  - (A) Substitutes.
  - (B) Complements.
  - (C) Necessities.
  - (D) Luxuries.
5. If the income elasticity of demand for a good is negative, it must be :
  - (A) An elastic good.
  - (B) An inferior good.
  - (C) A normal good.
  - (D) A luxury good.
6. When the price of a product is increased 10 percent, the quantity demanded decreases 15 percent. In this range of prices, demand for this product is :
  - (A) Elastic.
  - (B) Inelastic.
  - (C) Unitary elastic.
  - (D) Perfectly elastic.
7. The reason the substitution effect works to encourage a consumer to buy less of a product when its price increases is :
  - (A) The real income of the consumer has been increased.
  - (B) The real income of the consumer has been decreased.
  - (C) The product is now relatively more expensive than it was before.
  - (D) Other products are now relatively more expensive than they were before.

8. Which of the following defines marginal utility ?
- (A) The change in total utility divided by the price of a product.
  - (B) The maximum amount of satisfaction from consuming a product.
  - (C) The total satisfaction received from consuming as much of the product that is available for consumption.
  - (D) The additional satisfaction received from consuming one more unit of a product.
9. Which situation is consistent with the law of diminishing marginal utility ?
- (A) The more cake Henry eats, the more he enjoys another slice.
  - (B) The more cake Henry eats, the less he enjoys another slice.
  - (C) Henry's marginal utility from eating cake becomes positive after eating three slices.
  - (D) Henry's marginal utility from eating, cake reaches a maximum when total utility is zero.
10. If a rational consumer is in equilibrium, then :
- (A) The marginal utility obtained from one product is equal to the marginal utility obtained from any other product.
  - (B) A reallocation of income would increase the consumer's total utility.
  - (C) The marginal utility per last dollar spent is the same for all goods consumed.
  - (D) Total utility becomes zero.
11. A consumer is in equilibrium and is spending income in such a way that the marginal utility of product X is 40 units and Y is 16 units. The unit price of X is Rs.5. The price of Y is :
- (A) Re. 1 per unit.
  - (B) Rs. 2 per unit.
  - (C) Rs. 3 per unit.
  - (D) Rs. 4 per unit.
12. As if a few large firms dominate an industry the market is known as :
- (A) Monopolistic competition.
  - (B) Competitively monopolistic.
  - (C) Duopoly.
  - (D) Oligopoly.
13. The Kinked Demand Curve theory assumes :
- (A) Firms co-operate.
  - (B) Firms act as part of a cartel.
  - (C) Firms are competitive with each other.
  - (D) Firms are not profit maximisers.

14. In the Kinked Demand Curve theory :
- (A) The marginal revenue curve is perfectly horizontal.
  - (B) Demand is always price inelastic.
  - (C) Demand is always price elastic.
  - (D) Non-price competition is likely.
15. In a cartel :
- (A) Firms compete against each other.
  - (B) Price wars are common.
  - (C) Firms use price to win market share from competitors.
  - (D) Firms collude.
16. A firm that considers the potential reactions of its competitors when it makes a decision :
- (A) Is referred to as a price leader.
  - (B) Is engaged in strategic behaviour.
  - (C) Is engaged in collusion.
  - (D) Is referred to as a barometric firm.
17. Which one of the following is a part of every game theory model ?
- (A) Players.
  - (B) Payoffs.
  - (C) Probabilities.
  - (D) Strategies.
18. Which of the following circumstances in an industry will result in a Nash equilibrium ?
- (A) All firms have a dominant strategy and each firm chooses its dominant strategy.
  - (B) All firms have a dominant strategy, but only some choose to follow it.
  - (C) All firms have a dominant strategy, and none choose it.
  - (D) None of the above is correct.
19. Until recently, medical doctors and lawyers have been prohibited from engaging in competitive advertising. If the prisoners' dilemma applies to this situation, then the presence of this restriction would be likely to :
- (A) Increase profits earned by individuals in these professions.
  - (B) Reduce profits earned by individuals in these professions.
  - (C) Have no effect on the profits earned by individuals in these professions.
  - (D) Increase the profits of some and reduce the profits of other individuals in these professions.
20. An oligopolist may engage in short-run behaviour that results in lower profits if :
- (A) It leads to a Nash equilibrium.
  - (B) It is a dominant strategy.
  - (C) It is not involved in a repeated game.
  - (D) It lends credibility to the firm's threats.



**FIRST SEMESTER P.G. DEGREE (SUPPLEMENTARY) EXAMINATION  
SEPTEMBER 2021**

(CUCSS)

Economics

ECO 1C 04—INDIAN ECONOMY—PROBLEMS AND POLICIES—I

(2010 Syllabus)

Time : Three Hours

Maximum : 36 Weightage

**Part A (Short Answer Questions)**

*Answer the following questions.  
Each question carries a weightage of 1.*

1. What do you mean by Foreign Capital ?
2. Define the term Planning.
3. What is Migration ?
4. Give a definition for Unemployment.
5. What is GDP?
6. What do you understand by Decentralization ?
7. What is WTO ?
8. What is the difference between Fiscal Deficit and Revenue Deficit ?
9. What are the two types of Poverty ?
10. What are the sources of Public Debt ?
11. What do you understand by Regional Disparity ?
12. What do you understand by Fiscal Reforms ?
13. Enumerate the Objectives of Planning.
14. What do you understand by Population Policy ?

(14 × 1 = 14 weightage)

Turn over

**Part B (Paragraph Questions)**

*Answer any of the seven questions.  
Each question carries a weightage of 2.*

15. Prepare a brief report on Trade Policy Reforms in India
16. Explain how poverty can be measured?
17. Make a brief sketch on the Recommendations of 12<sup>th</sup> Five Year Plan
18. Write a note on the trend and pattern of Urbanization in India.
19. Prepare a note on National Population Policy. 2000.
20. Explain Industrial Development under various plans in India.
21. Explain briefly the role of Foreign Capital in the economic development of India.
22. Prepare a brief report on Financial Sector Reforms in India.
23. Explain the impact of WTO on Indian Agriculture.
24. Write a short note on the Economic Impact of Gulf Migration on Kerala Economy.

(7 × 2 = 14 weightage)

**Part C (Essay Questions)**

*Answer any two questions.  
Each question carries a weightage of 4.*

25. Describe briefly the Infrastructural Development in Kerala Economy.
26. Discuss the major Economic Reforms in India since 1991.
27. Briefly explain the trend, pattern, causes and consequences of Urbanization in Kerala.
28. Explain briefly the success story of Kerala Model of Development.

(2 × 4 = 8 weightage)

**FIRST SEMESTER P.G. DEGREE (SUPPLEMENTARY) EXAMINATION  
SEPTEMBER 2021**

(CUCSS)

Economics

ECO 1C 01—MICRO ECONOMIC THEORY AND APPLICATIONS—I

(2010 Syllabus)

Time : Three Hours

Maximum : 36 Weightage

**Part A (Short Answer Questions)**

*Answer the following questions.*

*Each question carries a weightage of 1..*

1. What are the various forms of price leadership ?
2. What is mean by limit pricing ?
3. Define managerial utility function.
4. What is Nash-equilibrium ?
5. What is mean by transaction cost ?
6. Distinguish normal good and inferior good.
7. What is implied by non-additivity condition ?
8. What is the characteristic of demand for durable commodities ?
9. Define Equi-marginal utility.
10. What is mean by certainty equivalent ?
11. Distinguish between risk and uncertainty.
12. What is a contingent plan in terms of insurance contract ?
13. Define constant elasticity function.
14. What is Neumann-Morgenstern Hypothesis ?

(14 × 1 = 14 weightage)

**Turn over**

**Part B (Paragraph Questions)**

*Answer any of the seven questions.*

*Each question carries a weight of 2.*

15. Explain kinked-demand model of oligopoly.
16. What are the various stages of short-run law of production function.
17. Explain trade-off between risk and return.
18. Define isoquant. What are the different types of isoquants ?
19. Explain theory of transaction cost.
20. What are the basic methods of market sharing under oligopoly ?
21. What is mean by indifference curve ? What is the indifference curve approach of demand ?
22. Briefly explain traditional theory of cost.
23. What is mean by price leader ship ? Explain various forms of price leadership.
24. Explain basic concepts of theory of game.

(7 × 2 = 14 weightage)

**Part C (Essay Questions)**

*Answer any two questions.*

*Each question carries a weight of 4.*

25. What are different model of oligopoly market ? Explain.
26. What is mean by utility function ? Describe utility functions of risk-averse, risk-prefers risk-neutrals ?
27. Explain the features of Cobb-Douglas production function.
28. What are the recent developments in theory of demand.

(2 × 4 = 8 weightage)