

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

[November 2020 session for SDE/Private students]

(CBCSS)

Economics

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

(2019 Admission onwards)

(Covid instructions are not applicable for Pvt/SDE students (November 2020 session))

(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.

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. What is true regarding Determinant of a Matrix ?
 - (A) The concept of determinant is applicable to square matrices only.
 - (B) To find determinant, subtract diagonal elements together.
 - (C) Determinant is a vector value that can be computed from the elements of a Trace matrix.
 - (D) Both (A) and (C).
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. Singular Value Decomposition is some sort of generalization of _____ decomposition.
 - (A) Singular.
 - (B) Eigen vector.
 - (C) Eigen value.
 - (D) None of the above.
6. What is symmetric Matrix ?
 - (A) $A \neq A^T$.
 - (B) $A = A^T$.
 - (C) Both (A) and (B).
 - (D) None of the above.
7. What is the transpose of cofactor matrix ?
 - (A) Inverse matrix.
 - (B) Singular matrix.
 - (C) Non-singular matrix.
 - (D) Adjoint of a matrix.

8. Rank of a matrix :

- (A) Highest non-negative minor. (B) Highest negative minor.
(C) Both (A) and (B). (D) Highest non zero minor.

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

- (A) $2x$. (B) $1/2x$.
(C) $1/x$. (D) X .

10. What is the value of slope in the inflection point?

- (A) 1. (B) 2.
(C) -1. (D) 0.

11. 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.

12. Chain rule of differentiation is also known as _____.

- (A) Functional rule. (B) Product Rule.
(C) Function of function rule. (D) Quotient rule.

13. $y = \frac{1}{x}$, $\frac{dy}{dx} ?$

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

14. $Q = 24 - 2p$ what is the consumer surplus at $p = 5$.

- (A) 20. (B) 25.
(C) 23. (D) 24.

15. What is the value of $\int_1^5 x + 5dx$?
- (A) 8. (B) 7.
(C) 12.5. (D) 15.
16. $y = x^2 + 2x + 2$, what is the value x ?
- (A) 1. (B) 2.
(C) -1. (D) 1.
17. 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.
18. 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.
19. As per the net present value, any projects to be acceptable should have a :
- (A) Positive net present value (B) Zero net present value.
(C) Negative net present value. (D) Both (A) and (B).
20. Cash flows are a project's revenue and are indicated by :
- (A) Positive numbers. (B) Negative numbers.
(C) Relative number. (D) Hurdle number.

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Economics

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(2019 Admission onwards)

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Time : Three Hours

Maximum : 30 Weightage

General Instructions

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Part A

Answer all questions.

Each bunch of five questions carries a weightage of 1.

Multiple Choice Questions :

1. A polynomial function of degree one is a _____.
 - a) Linear function.
 - b) Quadratic function.
 - c) Non-linear function.
 - d) None of these.
2. What is the shape of a curve of exponential function ?
 - a) Convex.
 - b) Concave.
 - c) Downward Sloping.
 - d) None of these.
3. If the number of rows of a matrix is greater than the number of columns is called :
 - a) Rectangular Matrix.
 - b) Equal Matrix.
 - c) Sub Matrix.
 - d) None of these.
4. A matrix, where the determinant is zero is called :
 - a) Skew Matrix.
 - b) Non-Singular Matrix.
 - c) Singular Matrix.
 - d) None of these.

Turn over

5. The transpose of a co-factor matrix is called :
- a) Determinant.
 - b) Adjoint.
 - c) Minor.
 - d) None of these.
6. The integral of a constant k is :
- a) $kx + c$.
 - b) kx .
 - c) $kx + x$.
 - d) 0.
7. If A is an $m \times n$ matrix, A^T is of the order :
- a) $m \times n$.
 - b) $n \times n$.
 - c) $m \times m$.
 - d) $n \times m$.
8. The rate of change of total cost with change in quantity produced is _____.
- a) MC.
 - b) AC.
 - c) TC.
 - d) None of these.
9. In the integration of MC, the constant of integration will represent :
- a) Variable Cost.
 - b) Total Cost.
 - c) Fixed Cost.
 - d) Average Cost.
10. The solution of the differential equation $(x^2 + 1) \frac{dy}{dx} + (y^2 + 1) = 0$ is :
- a) $y = 2 + x^2$.
 - b) $y = \frac{1+x}{1-x}$.
 - c) $y = x(x-1)$.
 - d) $y = \frac{1-x}{1+x}$.
11. How many terms are there in 2, 4, 6....., 200 ?
- (a) 50.
 - (b) 100.
 - (c) 120.
 - (d) None of these.
12. Lands, building, factory etc.. are classified as :
- a) Tangibles.
 - b) Intangibles.
 - c) Financial assets.
 - d) Financial liabilities.
13. Evaluate $\int 5^{7x} dx$:
- (a) $\frac{7^{5x}}{1 + \log x} + C$.
 - (b) $\frac{5x^{7x}}{1 - \log 5} + C$.
 - (c) $\frac{5^{7x}}{\log 5} + C$.
 - (d) $\frac{5^{7x}}{7 \log 5} + C$.
14. If $y = \log x^5$, Find $\frac{dy}{dx}$:
- (a) $\frac{5}{x}$.
 - (b) $\frac{x}{5}$.
 - (c) $\frac{x^2}{5}$.
 - (d) x^5 .
15. The slope of Total Product is :
- a) Average Product.
 - b) Marginal Product.
 - c) Marginal Revenue.
 - d) Average Revenue.

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

16. Find a, b, c, d, such that $\begin{bmatrix} a-b & 2c+d \\ 2a-b & 2a+d \end{bmatrix} = \begin{bmatrix} 5 & 3 \\ 12 & 15 \end{bmatrix}$.

17. Evaluate $\lim_{x \rightarrow 2} \frac{8x^2 + 3x + 2}{x^2 + 2x + 2}$.

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

19. Find characteristic root from the following : $A = \begin{bmatrix} -6 & 3 \\ 3 & -6 \end{bmatrix}$.

20. Find Marginal Cost from the following Total Cost (TC) function and evaluate it at $Q = 6$ and $Q = 10$.

$$TC = 6Q^2 + 14Q + 24.$$

21. Find the Maxima and Minima of $y = 2x^2 - 8x - 10$.

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

23. Find the value of Rs. 1500 at 8 percent interest for 5 years compounded annually.

(5 × 1 = 5 weightage)

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

24. Find the inverse of the following matrix :

$$\begin{bmatrix} 1 & 2 & 3 \\ -5 & -7 & -4 \\ 2 & 1 & 3 \end{bmatrix}$$

25. Evaluate $\int \frac{8x}{(x^2 - 5)^3} dx$.

26. The demand function for a commodity $P = 20 - 2Q$ and supply function $P = 3Q$, calculate Consumer's surplus.
27. Solve the following difference equations and check the answer using $t = 0$ and $t = 1$
 $10Y_t + 4Y_{t-1} - 280, Y_0 = 60.$
28. Calculate Net Present Value of the following two projects, assuming that the cost of Capital is 10 percent and initial investment is Rs.1600 each :

Year	1	2	3	4	5	6
Project A(Net Cash flows)	800	800	400	200	—	—
Project B(Net cash flows)	... 200	400	400	400	600	800

29. Find the Total Revenue function and demand function from the following :
 $MR = 42 - 2Q - Q^2.$

30. If $y = 3e^{2x} + 2e^{3x}$, prove that $\frac{d^2y}{dx^2} - 5\frac{dy}{dx} + 6y = 0.$

31. Use characteristic roots to determine sign definiteness for $A = \begin{bmatrix} 10 & 3 \\ 3 & 4 \end{bmatrix}.$

32. Discuss the continuity of $f(x) = \begin{cases} 2x - 1, & x < 0 \\ 2x + 1, & x \geq 0 \end{cases}$ at $x = 0.$

33. Write a note on Cob web model and its economic significance.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any **two** questions.

Each question carries a weightage of 4.

34. Minimise costs for a firm with the cost function $C = 10x^2 + 4xy + 6y^2 + 1600$ subject to the production quota $x + y = 78$ and also estimate additional costs if the production quota is increased to 80.
35. Solve the following system of equations using Cramer's rule :

$$\begin{aligned} 4x - 6y + 8z &= 10 \\ 2x + 4y - 6z &= 16 \\ 2x - 2y - 2z &= 2. \end{aligned}$$

36. Consider a monopolist who faces a linear demand function $P = 200 - 4q$ and a linear Total Cost function $C = 100 + 4q$. Determine the optimum level of output, Price, Total Revenue, Total Cost and Profit under profit maximisation. ,

37. Write an essay on the applications of matrix in Economics.

(2 × 4 = 8 weightage)

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(CBCSS)

Economics

ECO 1C 03—INDIAN ECONOMY : PROBLEMS AND POLICIES

(2019 Admission onwards)

{Covid instructions are not applicable for Pvt/SDE students (November 2020 session)}

(Multiple Choice Questions for SDE Candidates)

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ECO 1C 03—INDIAN ECONOMY : PROBLEMS AND POLICIES

(Multiple Choice Questions for SDE Candidates)

1. National Development Council was set up in :
 - (A) 1948.
 - (B) 1950.
 - (C) 1951.
 - (D) 1952.
2. The Planning Commission is :
 - (A) Ministry.
 - (B) A Government department.
 - (C) An Advisory body.
 - (D) An Autonomous Corporation.
3. India has :
 - (A) Socialistic economy.
 - (B) Gandhian economy.
 - (C) Mixed economy.
 - (D) Free economy.
4. The contribution of agriculture to India's economy is :
 - (A) Increasing.
 - (B) Decreasing.
 - (C) Constant.
 - (D) None of these.
5. What is the minimum calorie intake decided by the Planning Commission for rural and urban areas, respectively ?
 - (A) 2400 and 2100.
 - (B) 2100 and 2400.
 - (C) 2400 and 2200.
 - (D) 2100 and 2200.
6. 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.
7. Which one of the following institution formulates monetary policy ?
 - (A) RBI.
 - (B) Finance Ministry.
 - (C) SEBI.
 - (D) Planning Commission.

8. The headquarters of UNFCCC is located at :
- (A) Geneva. (B) Berlin.
(C) Tokyo. (D) Bonn.
9. Dr. Nachiket Mor Committee is related to :
- (A) Small scale industries development.
(B) Financial inclusion and financial deepening.
(C) Banking licenses.
(D) Reforms in SEBI.
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. 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.
12. What is the level of sex ratio in India as per the Census Report of 2011 ?
- (A) 930. (B) 935.
(C) 940. (D) 945.
13. Which one of the following items has maximum weight in wholesale price index in India ?
- (A) Primary article. (B) Fuel and power.
(C) Manufactured products. (D) Food item.
14. In the index of eight core industries, which one of the following is given the highest weight ?
- (A) Coal production. (B) Electricity generation.
(C) Fertilizer production. (D) Steel production.
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. Ashok Mehta Committee in 1977 recommended for the establishment of :
- (A) Nagar Panchayat.
 - (B) Panchayat Samiti.
 - (C) Maha Panchayat.
 - (D) Mandal Panchayat.
18. Land reform is covered under _____.
- (A) Central list.
 - (B) State list.
 - (C) Concurrent list.
 - (D) None of the above.
19. What are the Pillars of Self-Reliant India Movement ?
- (A) Infra-structure.
 - (B) Economy.
 - (C) Demography.
 - (D) All the above.
20. What was the theme of the Union Budget 2020-21 ?
- (A) Har Nagrik Jeetega.
 - (B) Ease of Living.
 - (C) Ude Desh ka Aam Nagrik.
 - (D) Sabka Sath, Sabka Vikas aur Sabka Vishwas.

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Part A

Answer all questions

Each bunch of 5 questions carries a weightage of 1.

Multiple choices :

1. The book Free Trade Today was written by :
 - a) Jagadish Bhagavati.
 - b) Milton Friedman.
 - c) Paul Krugman.
 - d) Thomas Picketty.
2. Abid Hussain Committee is related to :
 - a) Small scale industries.
 - b) Insurance sector.
 - c) Capital account convertability.
 - d) Banking sector.
3. The net national product at factor cost is also known as :
 - a) Net domestic product.
 - b) Gross national product.
 - c) National Income.
 - d) Personal Income.

Turn over

4. Pradhan Mantri Jan - Dhan Yojana aims to :
- a) Poverty alleviation.
 - b) Financial inclusion.
 - c) Rural unemployment.
 - d) Urban employment.
5. Which industrial policy resolution gave the public sector a strategic role in the Indian economy :
- a) 1956.
 - b) 1948.
 - c) 1983.
 - d) 1977.
6. In which year the Kissan credit system was introduced :
- a) 1988.
 - b) 1978.
 - c) 2008.
 - d) 1998.
7. Relative poverty means :
- a) Inequality.
 - b) Deprivation.
 - c) Hunger.
 - d) Lack of income.
8. Productive sector includes :
- a) Agriculture.
 - b) Agriculture and service.
 - c) Agriculture and industry.
 - d) Industry.
9. According to Census 2011, the state having the highest density of population is :
- a) Bihar.
 - b) Kerala.
 - c) Uttarpradesh.
 - d) West Bengal.
10. Economic development means :
- a) Growth plus certain changes.
 - b) Growth plus equity.
 - c) Growth plus welfare.
 - d) All of the above.
11. India's Ninth five year plan period was :
- a) 1950-55.
 - b) 1997-2002.
 - c) 2002-07.
 - d) 2007-12.
12. Which among the following is not a basis of HDI ?
- a) Life expectancy.
 - b) Women's literacy.
 - c) Combined enrollment ratio.
 - d) Real GDP per capita.

13. Agriculture credit is given by :
- a) SEBI. b) NABARD.
c) RBI. d) All of these.
14. In which year new agricultural strategy was introduced in India ?
- a) 1960. b) 1950.
c) 1966. d) 1991.
15. Indian state having highest literacy rate among women is :
- a) Tamil Nadu. b) Kerala.
c) West Bengal. d) Maharashtra.

(15 × 1/5 = 3 weightage)

Part B (Very Short Answer Question)

Answer any five questions.

Each question carries a weightage of 1.

16. Explain Make in India.
17. What is Core Inflation ?
18. Write a note on Black money.
19. Explain Techniques of planning.
20. What is Decentralization ?
21. Explain Second generation economic reforms.
22. Explain NITI Ayog.
23. What is Unemployment ?

(5 × 1 = 5 weightage)

Part C (Short Answer Question)

Answer any seven questions.

Each question carries a weightage of 2.

24. Explain the status of poverty in Kerala.
25. Discuss the acute fiscal crisis in Kerala.

26. Explain industrial policy reforms in India.
27. Explain the post reform infrastructure investment models.
28. Examine the Welfare programmes announced in last two union budgets.
29. Explain the features of Indian Economy.
30. Explain the trends in savings and investment in India since reforms.
31. Explain the state of unemployment in India.
32. Discuss the industrial backwardness of Kerala.
33. Explain the contribution of different sectors to employment in India.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any two questions.

Each question carries a weightage of 4.

34. Examine the poverty eradication measures in India
35. Critically examine the Kerala Model of Development.
36. Discuss the monetary management in India prior to 1990s and position after 1990s.
37. Discuss the cooperative federalism with special reference to GST.

(2 × 4 = 8 weightage)

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

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

(Multiple Choice Questions for SDE Candidates)

1. Assume the economy's consumption and saving schedules simultaneously shift downward. This must be the result of :
 - (A) The expectation of a recession.
 - (B) An increase in disposable income.
 - (C) An increase in personal taxes.
 - (D) An increase in household wealth.
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. Which type of bank deals with short term credit ?
 - (A) Agricultural bank.
 - (B) Industrial bank.
 - (C) Commercial bank.
 - (D) None of these.
5. 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.
6. The Cambridge version of the quantity theory of money was developed by :
 - (A) Fisher.
 - (B) Alfred Marshall.
 - (C) Pigou.
 - (D) Keynes.

7. Disposable Income does not include :
- (A) Excise duty paid. (B) Income tax.
(C) Customs duty paid. (D) None of the above
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. Which one of the following will cause a movement up along an economy’s saving schedule ?
- (A) An increase in interest rates. (B) An increase in household borrowing.
(C) An increase in disposable income. (D) An increase in stock prices.
11. 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.
12. 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.
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. Employment equilibrium in the Classical theory is achieved through :
- (A) Wage-Price flexibility. (B) Changes in aggregate demand.
(C) Changes in aggregate supply. (D) None of these.
15. Macroeconomics became popular after _____.
- (A) Great depression of 1929- 33. (B) 1972-73.
(C) 1996-97. (D) 2006-07.
16. 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.
17. When more workers are engaged in a work than actually required to work, it is called :
- (A) Voluntary Unemployment. (B) Involuntary Unemployment.
(C) Disguised Unemployment. (D) Frictional Unemployment.
18. LM curve slopes _____.
- (A) Downward to the right. (B) Upward to the right.
(C) Vertical. (D) Horizontal.
19. Which is/are the determinant/s of private investment :
- (A) Prospective income from the capital asset.
(B) Supply price of the capital asset.
(C) The rate of interest.
(D) All 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.

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2. *The minimum number of questions to be attended from the Section / Part shall remain the same.*
3. *The instruction if any, to attend a minimum number of questions from each sub section / sub part / sub division may be ignored.*
4. *There will be an overall ceiling for each Section / Part that is equivalent to the maximum weightage of the Section / Part.*

Part A

*Answer **all** questions.*

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

Multiple choices :

1. Permanent income hypothesis is related to :
 - a) Income.
 - b) Saving.
 - c) Consumption.
 - d) Investment.
2. Ratchet effect is related to :
 - a) Absolute income hypothesis.
 - b) Relative income hypothesis.
 - c) Permanent income hypothesis.
 - d) Life cycle hypothesis.

Turn over

3. Q ratio was introduced by :
- a) Tobin.
 - b) Keynes.
 - c) Baumol.
 - d) Pattinkin.
4. If the investment multiplier is 4, the relevant consumption is given by :
- a) $c = 28 + 0.75 y$.
 - b) $c = -28 + 0.78 y$.
 - c) $28 + .70 y$.
 - d) $c = 28 + 0.40 y$.
5. When the intrinsic value of money all its face value are called :
- a) Token money.
 - b) Full bodied money.
 - c) Quasi money.
 - d) Fiat money.
6. According to Keynes , interest is related to :
- a) Money supply.
 - b) Money demand.
 - c) Saving.
 - d) National income.
7. If gross investment falls to zero , national income does not falls to zero because of :
- a) Consumption.
 - b) Production.
 - c) Multiplier.
 - d) Accelerator.
8. At very low rate of interest, LM curve is perfectly elastic it is known as :
- a) Classical range.
 - b) Keynesian range.
 - c) Intermediate range.
 - d) None of these.
9. The Gurley Shaw thesis is related with :
- a) The role of money.
 - b) The role of central bank.
 - c) The role of financial intermediaries.
 - d) The role of commercial bank.
10. The APC declines as Y increases, the consumption function is said to be :
- a) Linear.
 - b) Non-linear.
 - c) Proportional.
 - d) Non-proportional.

11. Near money :
- a) Is almost same theory as money.
 - b) Is money itself.
 - c) Is money only in a limited sense.
 - d) Is not money at all.
12. The optimum capital stock is achieved when the user cost capital is equal to :
- a) Interest rate.
 - b) The depreciation rate.
 - c) The marginal product of capital.
 - d) Tobin's Q.
13. Fishers theory believed the value of money to be determined by the :
- a) Elasticity of demand.
 - b) Levels of investment.
 - c) Quantity of money.
 - d) Velocity of money.
14. When a liner consumption function undergoes a parallel shift downwards, the inverted multiplier will :
- a) Fall.
 - b) Rise marginally.
 - c) Remain as before.
 - d) Become as double.
15. Velocity of money is assumed to be constant by :
- a) Keynes.
 - b) Classicals.
 - c) Hansen.
 - d) ISLM theory.

(15 × 1/5 = 3 weightage)

Part B (Very Short Answer Questions)

Answer any five questions.

Each question carries a weightage of 1.

16. Explain accelerator.
17. Pigou effect.
18. Explain money multiplier.
19. Cost push inflation.
20. One sector model.

Turn over

21. Money illusion.
22. Permanent income.
23. Inter-temporal choice of consumption.

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

Answer any seven questions.

Each question carries a weightage of 2.

24. Explain measures of money supply.
25. Discuss basic themes of monetarism.
26. Explain the transactions demand for money.
27. Explain the target and instrument variable.
28. Explain the insider and outsider model.
29. Explain Real balance effect.
30. What is meant by the monetary base ?
31. Explain liquidity trap with the help of LM curve.
32. Explain in a Keynesian perspective how fiscal policy can be used to cure depression and unemployment
33. Explain accelerator theory of investment

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any two questions

Each question carries a weightage of 4.

34. Discuss Tobin q theory of investment.
35. Compare and contrast Baumol, Tobin and Friedman's theory of demand for money.
36. Explain with help of ISLM curve model role of fiscal policy in overcoming recession in the economy.
37. Critically evaluate life cycle hypothesis.

(2 × 4 = 8 weightage)

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

[November 2020 session for SDE/Private students]

(CBCSS)

Economics

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

(2019 Admission onwards)

{Covid instructions are not applicable for Pvt/SDE students (November 2020 session)}

(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.

ECO 1C 01—MICRO ECONOMICS : THEORY AND APPLICATIONS—I
(Multiple Choice Questions for SDE Candidates)

1. Which of the following shifts the demand for watches to the right ?
 - (A) An increase in the price of watches.
 - (B) None of these answers.
 - (C) A decrease in the price of watch batteries if watch batteries and watches are complements.
 - (D) A decrease in consumer incomes if watches are a normal good.
2. In general, a flatter demand curve is more likely to be :
 - (A) Price elastic.
 - (B) Unit price elastic.
 - (C) None of these answers.
 - (D) Price inelastic.
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. George consumes only two goods, Biscuit and compact discs. Both are normal goods for George. Suppose the price of Biscuit decreases. George's consumption of compact discs will :
 - (A) Increase due to the income effect.
 - (B) Increase due to the substitution effect.
 - (C) Increase due to a negative income elasticity.
 - (D) Remain unchanged, since the income elasticity of Biscuit is greater than 0.
6. Which best expresses the law of diminishing marginal utility ?
 - (A) The more consumption of a product, the smaller is the total and marginal utility from the consumption.
 - (B) The less consumption of a product, the greater is the total and marginal utility of the consumption.
 - (C) The more consumption of a product, the smaller is the marginal utility from consuming an additional unit.
 - (D) The more consumption of a product, the smaller is the total and marginal utility from the consumption.

7. 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.
8. As If a few large firms dominate an industry the market is known as :
- (A) Monopolistic competition.
 - (B) Competitively monopolistic.
 - (C) Duopoly.
 - (D) Oligopoly.
9. 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.
10. A model of Game Theory of oligopoly is known as the :
- (A) Prisoner's Dilemma.
 - (B) Monopoly Cell.
 - (C) Jailhouse Sentence.
 - (D) Jury Box.
11. 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.
12. 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.
13. 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.
14. 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.

15. In game theory, a situation in which one firm can gain only what another firm loses is called a :
- (A) Nonzero-sum game. (B) Prisoners' dilemma.
(C) Zero-sum game. (D) Cartel temptation.
16. In game theory, the outcome or consequence of a strategy is referred to as the :
- (A) Payoff. (B) Penalty.
(C) Reward. (D) End-game strategy.
17. A firm that is threatened by the potential entry of competitors into a market builds excess production capacity. This is an example of :
- (A) A prisoners' dilemma. (B) Collusion.
(C) A credible threat. (D) Tit-for-tat.
18. Suppose a firm sells its product at a price lower than the opportunity cost of the inputs used to produce it. Which is true ?
- (A) The firm will earn accounting and economic profits.
(B) The firm will face accounting and economic losses.
(C) The firm will face an accounting loss, but earn economic profits.
(D) The firm may earn accounting profits, but will face economic losses.
19. 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
20. If all resources used in the production of a product are increased by 20 percent and output increases by 20 percent, then there must be :
- (A) Economies of scale. (B) Diseconomies of scale.
(C) Constant returns to scale. (D) Increasing average total costs.

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

[November 2020 session for SDE/Private students]

(CBCSS)

Economics

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

(2019 Admission onwards)

{Covid instructions are not applicable for Pvt/SDE students (November 2020 session)}

Time : Three Hours

Maximum : 30 Weightage

General Instructions

1. *In cases where choices are provided, students can attend all questions in each section.*
2. *The minimum number of questions to be attended from the Section / Part shall remain the same.*
3. *The instruction if any, to attend a minimum number of questions from each sub section / sub part / sub division may be ignored.*
4. *There will be an overall ceiling for each Section / Part that is equivalent to the maximum weightage of the Section / Part.*

Part A

Answer all questions.

Each bunch of five questions carries a weightage of 1.

Multiple choice Questions :

1. The Friedman savage hypothesis , the total utility curve :
 - a) One segment.
 - b) Two segment.
 - c) Three segment.
 - d) Four segment.
2. The C.D production function has been most extensively used in :
 - a) Consumption economics.
 - b) Production.
 - c) Exchange economics.
 - d) Welfare economics.

Turn over

The opportunity cost of a factor of production with specific use in :

- a) Over high.
- b) Infinite.
- c) Zero.
- d) Constant.

The AFC curve always be :

- a) The rectangular hyperbola.
- b) Downward sloping curve convex to the origin.
- c) A downward sloping straight line.
- d) A U shaped curve.

In Sweezy 's model of oligopoly price is :

- a) Rigid.
- b) Fluctuating.
- c) Flexible.
- d) Determinate.

An impediment that makes it difficult or impossible for a new firm to enter an industry :

- a) Barriers to entry.
- b) Free exit.
- c) Free entry.
- d) Hit and run.

In full cost pricing theory , price is set according to :

- a) $P = AVC + GPM$.
- b) $P = AC + GPM$.
- c) $P = AVC + GPM = MC$.
- d) $P = AVC + GPM + MC$.

Difficulties encountered in entering an industry are often referred to as :

- a) Monopoly.
- b) Entry barriers.
- c) Limit barriers.
- d) Patents.

OPEC is an example of :

- a) Cartel.
- b) Price leader.
- c) Bilateral monopoly.
- d) Monopsony.

Increasing returns to scale is not caused by :

- a) Specialization of labour.
- b) Marketing economies.
- c) Technical economies.
- d) Varying factor proportions.

11. Value and capital was written by :
- a) Leibenstion. b) Veblen.
c) Hicks. d) Allen.
12. Diversification is the measure of _____.
- a) Reducing risk. b) Variability.
c) Utility. d) None.
13. Cournot duopoly leads to _____.
- a) Stable equilibrium. b) Unstable equilibrium.
c) Disequilibrium. d) Neutral equilibrium.
14. The strategy of maximizing the minimum gain is called _____.
- a) Minimax. b) Maximin.
c) Pure strategy. d) Mixed strategy.
15. The concept bandwagon effect was introduced by _____.
- a) Stackelberg. b) Sweezy.
c) Samuelson. d) Leibienstein.

(15 × 1/5 = 3 weightage)

Part B (Very Short Answer Questions)

Answer any five questions.

Each question carries a weightage of 1.

16. Fair game.
17. Expected utility.
18. Distributed lag model of demand.
19. Saddle point theorem.
20. Why oligopoly is price rigid.
21. Opportunity cost.
22. Returns to factor.
23. Fixed proportion production function.

(5 × 1 = 5 weightage)

Turn over

Part C (Short Answer Questions)

Answer any seven questions.

Each question carries a weightage of 2.

24. What is St.Petersburg Paradox ?
25. Briefly explain the Cobb-Douglas Production Function.
26. Discuss F-S hypothesis of modern utility.
27. What is linear expenditure system ?
28. Explain Snob effect.
29. Types of game.
30. Explain the collusive oligopoly.
31. Explain the bilateral monopoly.
32. How does kink arise in the demand curve for the product of an oligopolies ?
33. Explain habit creation principle.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any two questions.

Each question carries a weightage of 4.

34. Derive stock adjustment principle.
35. Discuss Cournot duopoly model.
36. Explain short run cost function.
37. Briefly explain the recent developments in the theory of market demand.

(2 × 4 = 8 weightage)

FIRST SEMESTER P.G. DEGREE EXAMINATION, NOVEMBER 2021

(CCSS)

Economics

ECO 1C 04—INDIAN ECONOMY—PROBLEMS AND POLICIES

(2019 Admissions)

Time : Three Hours

Maximum : 80 Marks

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

1. The outline of second five year plan was made by :
 - a) B. N. Gadgil.
 - b) VKRV. Rao.
 - c) P. C. Mahalanobis.
 - d) C. N. Vakil.
2. Economic planning is in :
 - a) Union list.
 - b) State list.
 - c) Concurrent list.
 - d) Not any specified list.
3. Indian state having the lowest IMR is :
 - a) Maharashtra.
 - b) Goa.
 - c) Gujarat.
 - d) Kerala.
4. NABARD was established on the recommendation of :
 - a) Public account committee.
 - b) Shivaraman committee.
 - c) Narasimham committee.
 - d) None of the above.
5. In census data 2011, which State holds the maximum rural population in the country :
 - a) UP.
 - b) Bihar.
 - c) Madhya Pradesh.
 - d) Andhra Pradesh.

6. Blue revolution is related to :
- a) Space research.
 - b) Poultry.
 - c) Fisheries.
 - d) Drinking water.
7. When was the first industrial policy is introduced :
- a) 1951.
 - b) 1991.
 - c) 1948.
 - d) 1956.
8. Which of the following sector is contributing more to SDP of Kerala :
- a) Manufacturing.
 - b) Primary.
 - c) Service.
 - d) Mining and quarrying.
9. HDI was originally devised by :
- a) Amartya Sen.
 - b) K. N. Raj.
 - c) Mahabub ul Haq.
 - d) Sudhir Anand.
10. Internal migration is :
- a) Movement of a person with in country.
 - b) Movement to other country.
 - c) Movement from foreign to domestic country.
 - d) None of the above.

(10 × 1 = 10 marks)

Part B

*Answer any five questions.
Each question carries 2 marks.*

- 11. Privatisation.
- 12. HDI.
- 13. Emigration.
- 14. Infrastructure.
- 15. Economic development.
- 16. Economic reforms.

17. Centralised planning.
18. Poverty.

(5 × 2 = 10 marks)

Part C

*Answer any **eight** questions.*

Each question carries 5 marks.

19. Critically examine Kerala model of development.
20. Explain the impact of economic reforms on small scale industries.
21. Explain the achievements of planning in India.
22. Discuss the recent trend in economic growth in India.
23. Discuss the sectoral composition of employment in India.
24. Give a brief account on sectoral share of NSDP in Kerala.
25. Explain the unique feature decentralised planning in Kerala.
26. Discuss the role of public health care system in Kerala.
27. Explain HDI related indicators in India.
28. Discuss the features of urbanisation in Kerala.
29. Explain the agriculture sector performance since reforms.
30. Discuss India's trade sector and reforms.

(8 × 5 = 40 marks)

Part D

*Answer any **two** questions.*

Each question carries 10 marks.

31. Explain the basic features of Kerala Model of Development.
32. Discuss the planning experience in India.
33. Discuss achievements and second generation issues of decentralisation.
34. Discuss the structural changes of Kerala economy since the formation of the state.

(2 × 10 = 20 marks)

FIRST SEMESTER P.G. DEGREE EXAMINATION, NOVEMBER 2021

(CCSS)

Economics

ECO 1C 03—MATHEMATICS FOR ECONOMICS

(2019 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A (Multiple Choice Questions)*Answer all questions.**Each question carries 1 mark.*

1. An inverse function of exponential function is called :
 - a) Logarithmic function.
 - b) Quadratic function.
 - c) Linear function.
 - d) None of these.
2. The process of obtaining the derivatives is called :
 - a) Mapping.
 - b) Integration.
 - c) Differentiation.
 - d) None of these.
3. $\begin{vmatrix} a & 0 \\ b & -a \end{vmatrix}$ is :
 - a) ab .
 - b) 0.
 - c) $-a$.
 - d) b .
4. If $MR = 24 - 6Q - Q^2$, TR is _____.
 - a) $24 - 6Q^3 - 4Q$.
 - b) $24Q - 3Q^2 - \frac{1}{3}Q^3$.
 - c) $24Q^2 - 6Q$.
 - d) $24 - 6Q$.

Turn over

5. $\lim_{x \rightarrow 0} \frac{x}{x}$ is:

a) 1.

b) 0.

c) ∞ .

d) -1.

6. 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.

7. $x^2 + y^2 = 16$ is a function of:

a) Periodic.

b) Implicit.

c) Explicit.

d) Monotone.

8. Find the first term of an AP whose 8th and 12th terms are 39 and 59 respectively:

a) 5.

b) 6.

c) 4.

d) 7.

9. The derivative of $f(x) = \left(1 + x^4 - \frac{1}{x}\right)^{5/8}$:

a) $\frac{20}{3} x^{17/8} + \frac{5}{3x^{8/3}}$.

b) $\frac{5}{3} \left(1 + x^4 + \frac{1}{x}\right)^{2/3}$.

c) $\frac{5}{3} \left(1 + x^4 + \frac{1}{x}\right)^{2/3} \left(4x^3 + \frac{1}{x^2}\right)$.

d) $\frac{5}{3} (x)^{2/3} \left(4x^3 + \frac{1}{x^2}\right)$.

10. The values of the future net incomes discounted by the cost of capital are called :
- Average capital cost.
 - Discounted capital cost.
 - Net capital cost.
 - Net present value.

(10 × 1 = 10 marks)

Part B (Very Short Answer Questions)

Answer any five questions.

Each question carries 2 marks.

Answer in one or two sentences.

11. Check whether the following is a function with proper reasoning

$$y = -2x^2 + 12x + 30.$$

12. Evaluate $\int_1^3 (x^3 + x + 6) dx$.

13. Find $\frac{dy}{dx}$ if $y = (x^3 + 3) + (2x^2 + 3x^3)$.

14. Find the product matrix AB where, $A = \begin{bmatrix} 2 & 4 \\ 6 & 7 \end{bmatrix}$ and $B = \begin{bmatrix} 8 & 6 \\ 3 & 2 \end{bmatrix}$.

15. Find the compound interest for Rs. 18,000 at 14 % per annum for 6 years.

16. Find the rank of matrix $A = \begin{bmatrix} -4 & 0 & 5 \\ 1 & 2 & 3 \end{bmatrix}$.

17. Find $\lim_{x \rightarrow 2} \frac{x^5 - 22}{x^2 - 2}$.

18. Solve the following quadratic equation $5x^2 + 23x + 12 = 0$.

(5 × 2 = 10 marks)

Turn over

Part C (Short Answer Questions)

Answer only eight questions.

Each question carries 5 marks.

19. Explain the important properties of determinants.

20. Evaluate $\int 4x \sqrt{x^2 + 8} dx$.

21. Solve the following differential equation and check the answer using $t = 0$ and $t = 1$.

$$2Y_{t+5} + 4Y_{t+4} + 114 = 0, Y_0 = 22.$$

22. By using logarithm, differentiate $y = \sqrt{\frac{(x-3)(x^2+4)}{3x^2+4x+5}}$ with respect to x .

23. Compute adjoint for the following matrix $A = \begin{bmatrix} 1 & 1 & -3 \\ 2 & 5 & 1 \\ 1 & 3 & 2 \end{bmatrix}$.

24. Minimize cost of a firm with cost function $c = 10x^2 + 4xy + 6y^2 + 1600$ subject to production quota $x + y = 78$.

25. Given the demand function $P_d = 226 - 2Q^2$ and the supply function $P_s = (2Q + 2)^2$ under pure competition. Find consumer's surplus and producer's surplus.

26. A producer has the possibility of discriminating between the domestic and foreign markets for a product where the demands respectively are

$$Q_1 = 42 - 0.2P_1$$

$$Q_2 = 100 - 0.8P_2$$

Total cost = $4000 + 20Q$ where $Q = Q_1 + Q_2$. What price will the producers charge in order to maximize profit (a) With discrimination between markets ; and (b) Without discrimination.

27. Given $Q_{dt} = 43 - 0.4P_t$ and $Q_{st} = -5 + 0.1P_{t-1}$. Calculate the market price P_t for any time period and the equilibrium price P_e .

28. Explain the uses of integration in economics.

29. $z = ax^2 + 2hxy + by^2$. Show that $\frac{\partial^2 z}{\partial x \partial y} = \frac{\partial^2 z}{\partial y \partial x}$.

30. Find the maxima and minima values if any for the function

$$y = x^3 + 5x^2 + 8x + 5.$$

(8 × 5 = 40 marks)

Part D

Answer only two questions.

Each question carries 10 marks.

31. Solve the equations by using Cramer's rule

$$2x - 3y + 4z = 5$$

$$x + 2y - 3z = 8$$

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

32. Explain various rules of differentiation with examples.

33. Using matrix inverse method, solve for x , y and z

$$2x_1 + 4x_2 - x_3 = 15$$

$$x_1 - 3x_2 + 2x_3 = -5$$

$$6x_1 + 5x_2 + x_3 = 28.$$

34. Optimize $z = 8x^2 - 4xy + 12y^2$ subject to $x + y = 146$.

(2 × 10 = 20 marks)

FIRST SEMESTER P.G. DEGREE EXAMINATION, NOVEMBER 2021

(CCSS)

Economics

ECO 1C 02—MACRO ECONOMIC THEORY AND POLICY

(2019 Admissions)

Time : Three Hours

Maximum : 80 Marks

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

Multiple choice questions :

1. When income increases consumption also _____.
 - a) Increases.
 - b) Decreases.
 - c) Constant.
 - d) None.
2. Supply creates its own demand is _____.
 - a) Says law of market.
 - b) Classical dichotomy.
 - c) Wage price flexibility.
 - d) None.
3. Relation between cost of capital and rate of return is _____.
 - a) Q-ratio of investment.
 - b) Accelerator.
 - c) Multiplier.
 - d) None.
4. Classicals treated money as a _____.
 - a) Medium of exchange.
 - b) Store of value.
 - c) Both (a) and (b).
 - d) None.
5. Inducement to invest depends upon _____.
 - a) Income.
 - b) Price.
 - c) Investment.
 - d) None.
6. Transitory income was propounded by _____.
 - a) Friedman.
 - b) Keynes.
 - c) Modigliani.
 - d) None.

Turn over

7. Friedman theory of consumption is based on _____.
 - a) Absolute income.
 - b) Permanent income.
 - c) Life time income.
 - d) None.
8. Concept of demonstration effect is related to _____.
 - a) Relative income hypothesis.
 - b) Permanent income hypothesis.
 - c) Absolute income theory.
 - d) None.
9. GDP refers to _____.
 - a) Gross domestic product.
 - b) Gross national product.
 - c) Gross disposable income.
 - d) None.
10. Income minus consumption is equal to _____.
 - a) Saving.
 - b) Investment.
 - c) MPC.
 - d) None.

(10 × 1 = 10 marks)

Part B (Very Short Answer Questions)

*Answer any five questions.
Each question carries 2 marks.
Answer in one or two sentences each.*

11. Types of inflation.
12. Types of unemployment.
13. Balance of trade.
14. Keynesian psychological law of consumption.
15. Ratchet and demonstration effect.
16. Types of investment.
17. Gurley-Shaw hypothesis.
18. Simple Keynesian model.

(5 × 2 = 10 marks)

Part C (Short Answer Questions)

*Answer any eight questions.
Each question carries 5 marks.*

19. Explain components of BOP.
20. Explain Kuznet consumption puzzle.
21. Explain Keynesian liquidity preference theory.

22. Explain money multiplier.
23. Explain one sector neoclassical model.
24. Explain multiplier accelerator theory.
25. Explain neoclassical theory of unemployment and labour market.
26. Explain portfolio balance theory.
27. Explain components of money supply.
28. Explain neoclassical theory of investment.
29. Discuss the factors affecting consumption.
30. Discuss random walk model of consumption.

(8 × 5 = 40 marks)

Part D (Essay Type Questions)

*Answer any **two** questions.*

Each question carries 10 marks.

31. Derive IS-LM model.
32. Discuss the effectiveness of monetary and fiscal policy in IS-LM analysis.
33. Critically evaluate life cycle hypothesis.
34. Discuss Hayek's over investment theory.

(2 × 10 = 20 marks)

FIRST SEMESTER P.G. DEGREE EXAMINATION, NOVEMBER 2021

(CCSS)

Economics

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

(2019 Admissions)

Time : Three Hours

Maximum : 80 Marks

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

Multiple choice questions :

1. Market situation in which only two seller is called _____.
(a) Duopoly. (b) Monopoly.
(c) Oligopoly. (d) None.
2. Neutral technical progress refers to _____.
(a) $MPL = MPK$. (b) MPL greater than MPK .
(c) MPL less than MPK . (d) None.
3. Who evolved the concept of selling cost _____.
(a) Chamberlin. (b) Sweezy.
(c) Edgeworth. (d) None.
4. When return to scale increases the transformation curve would be _____.
(a) Convex. (b) Concave.
(c) U shape. (d) None.
5. 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.

Turn over

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

(10 × 1 = 10 marks)

Part B (Very Short Answer questions)

Answer any five questions.

Answer in one or two sentences.

Each question carries 2 marks.

11. Risk lover.
12. Investor's choice problem.
13. Labour deepening technical progress.
14. Veblen effect.
15. Non-linear homogeneous production function.
16. Reserve capacity.

17. Variable proportion production function.
18. Nash equilibrium.

(5 × 2 = 10 marks)

Part C (Short Answer Questions)

*Answer any **eight** questions.*

Each question carries 5 marks.

19. Explain the features of game.
20. Explain the significance of game in economic analysis.
21. Explain the laws of probability.
22. Explain Houthakker and Taylor model.
23. Explain demand forecasting methods.
24. Explain the five features of Cobb-Douglas production function.
25. Explain empirical cost function.
26. Explain the types of cartel.
27. Explain Bhagwati limit pricing.
28. Prove in constant elasticity of demand function income elasticity of demand remaining constant.
29. Explain two person zero sum game.
30. Explain Baumol theory of the firm.

(8 × 5 = 40 marks)

Part D (Essay Type Questions)

*Answer any **two** questions.*

Each question carries 10 marks.

31. Discuss the types of duopoly models.
32. Explain Williamson managerial discretion theory.
33. Critically evaluate F-S hypothesis.
34. Critically evaluate Bain's limit pricing.

(2 × 10 = 20 marks)