

MACROECONOMICS (CC-IX)

SEMESTER – IV

Group - A

Fill in the Blanks

1. Solow model is a of Harrod-Domar model.
2. Production function isin Solow model.
3.emphasized the role of innovation in economic development.
4. Balance of payments balances of Trade.
5. Loans, aid, donations, etc. aretransfers.
6. emphasized the role of innovation in economic development.
7. Net export and real exchange rate arerelated.
8. Restrictive trade policies cause in real exchange rate.
9. In case equilibrium exchange rate is less than the fixed exchange rate , the money supply will
10. The short – run aggregate supply curve is based on the assumption of fixed
11. Monetary policy aims at economic stability through the adjustment of money
12. The classical theory of employment suggested in the money wages to increase employment.
13. Absence of..... Unemployment implies full employment.
14. Say's law of market assumes that money is.....
15. Keynesian theory of employment pointed out that private saving is a

Answers

1. Alternative 2. Continuous 3. Schumpeter 4. Includes 5. Unilateral 6. Schumpeter 7. Inversely 8. Appreciation 9. Decrease 10. Input 11. Supply 12. Decrease 13. Involuntary 14. A veil 15. Vice.

Group – B

Answer in one sentence each

1. Prof. Robert M. Solow own Nobel Prize in economics in which year?
2. The level of capital accumulation that ensures steady state in the economy with maximum consumption is known as
3. What is the full form of TFP?
4. Mention any one demerits of Solow model?
5. In indigenous growth equation $Y=AK$, what does A represent?
6. In which growth model, growth never stops?
7. What is balance of trade?
8. Foreign exchange reserves are included in which Accounts of BOP?
9. Name the difference between exports and imports?
10. What do Zero net exports imply?
11. In case of closed economy, what is the shape of capital flow curve?
12. IS curve shows equilibrium in which market?
13. When exchange rate appreciates, what will happen to net exports?
14. What is the difference between potential GDP & actual GDP called?
15. “Supply creates its own demand “whose statement is this?

Answers

1. 1987
2. Golden rule of capital accumulation
3. Total Factor Productivity
4. It ignores equilibrium between G and G_w
5. Level of technology
6. AK Model
7. Borrowing and lending with foreign countries
8. Capital Account
9. Net Exports
10. Balanced trade
11. Vertical
12. Goods market
13. Fall
14. GDP gap
15. J B Say.

Group – C

Short answer type questions

1. What do you mean by endogenous growth?
2. What do meant by balance of trade?
3. Define Balance of payments?
4. What is devaluation?
5. What do you mean by rate of exchange?
6. What is real exchange rate?
7. What is fixed exchange rate system?
8. What is aggregate demand? What is inflationary gap?
9. State the objective of monetary policy?
- 10.State the objective of Fiscal policy?

MICROECONOMICS II (CC-VIII)

GROUP-A

Fill in the blanks.

[1 mark]

1. Pareto marginal condition for efficiency in composition of output requires _____.
2. The criteria of inconsistency of Scitovsky paradox are _____.
3. The supply curve of firm is _____.
4. Prices and quantities in all markets simultaneously and explicitly take feedback effects into account is called _____.
5. The value of a price elasticity of a linear supply curve through the origin is _____.
6. _____ has been awarded the novel prize in Economics "For Analysis of Markets with Asymmetric Information".
7. The slope of the production possibility curve is _____.
8. Total cost function of a producer is $C = 10 + 5Q + 2Q^2$. If price is 15, what is MC of the producer of the equilibrium?
9. Each seller assumes his rival's price is constant. This assumption is based on _____ model.
10. The mathematical results Economists used to show that Economic profit must be zero, if the production function has constant returns to scale and each factors are paid according to their marginal product is called _____.
11. According to Wicksteed, in the distribution of total output, product will exhaust if and only if the production function is _____.
12. Physiocrats considered rent is the result of the _____.
13. In an economy of two individuals A and B and two commodities X and Y, general equilibrium of exchange is reached when _____.
14. Describing and allocation of goods and services such that any reallocation firms at least one person is _____.
15. An equilibrium situation in which all firms in a market choose their strategies in the light of the strategies adopted by the other firm is known as _____.
16. Gainers can compensate the losers for their loss and still remain better of them. This consequence is based on _____ principles.

17. The point of tangency between the social welfare function and the grant utility possibility curve is _____.
18. Different price is charged in different market _____.
19. "The elasticity of demand is higher for a price increase than a decrease". This statement is based on _____ oligopoly market.
20. If for the constant elasticity of substitution production function, the value of the substitution parameter is -1, the elasticity of substitution will be: _____.

Answer

(1) $MRS_{xy} = P_x/P_y$, (2) Kaldor-Hicks, (3) MC curve above the minimum point of AVC curve, (4) general equilibrium, (5) 1, (6) George Akerlof, (7) MRT, (8) 15, (9) Bertrand duopoly model, (10) Eulers theorem, (11) Homothetic, (12) surplus value, (13) $MRT_{P_x, Y} = MRS^A_{X, Y} = MRS^B_{X, Y}$, (14) Pareto efficiency (15) Nash equilibrium (16) Kaldor-Hicks (17) Bliss point (18) price discrimination (19) kinked oligopoly market, (20) Infinite.

GROUP-B

Very short answer questions.

[2 marks]

1. What is substitution effect?
2. What is Nash equilibrium?
3. What is monopoly market?
4. Define Economic rent.
5. What is general equilibrium?
6. Find e_d if the demand function is $x = 25 - 4p + p_2$, where x is the demand for the commodity and p is price.
7. In an economy with a linear homogeneous Cobb Douglas production function, the share of capital and labour in total output are respectively 40% and 60%. The capital stock and labour force is growing, respectively at 8% and 3% per annum. If the rate of growth of output is recorded as 7% per annum, what will be the rate of growth of total factor productivity?
8. If demand for a consumer is given by the function $p = 27 - 3x - x^2$, find the consumer surplus at $x = 3$.
9. Calculate the price elasticity of demand for a good where the demand function $q = kp^r$, where p is price and q is quantity demanded, k and r are positive constant.
10. What is price discrimination in a monopolist?

GROUP-C

SHORT QUESTION

[3 MARKS]

1. What is Prisoner's Dilemma?
2. What is Pareto efficiency?
3. What are the conditions for existence of equilibrium
4. What are Kaldor-Hicks criteria?
5. Distinguish between general equilibrium and partial equilibrium.
6. Consider the following matrix which describe the respective strategies and the corresponding pay offs of firms A and B operating in a duopoly.

		Firm B	
		Advertise	don't advertise
Firm A	Advertise	11,6	16,0
	Don't advertise	7,9	20,2

Verify the game has Nash equilibrium or not.

GROUP-D

Long answer question

[7 marks]

1. Explain the long run equilibrium of a firm in a monopolistic competition with the help of subjective and market demand curve, as given by Chamberlin.
2. Assume that a monopolist sells his product in two separate markets and the demand functions are $P_1=12-X_1$, $P_2=20-3X_2$ and two cost functions for his product is given by $C=3+2X$, where $X=X_1+X_2$. Determine the prices that monopolist will charge and the quantities he will sell in each market to maximize his profit. Also calculate the maximum profit and the respective demand elasticities in each market.
3. Discuss about the Pareto efficiency of allocation of distribution.
4. Discuss the price and output determination of monopolistic competition?
5. Discuss about the Nash equilibrium of Prisoners Dilemma.

6. Describe the Cournot duopoly model.
7. Discuss the price and output leadership under Oligopoly market.

RESEARCH METHODOLOGY (CC-X)

GROUP-A

Fill in the blanks.

[1 mark]

1. Good research is always _____.
2. A systematic way of finding new things is called _____.
3. Give an example of primary data.
4. _____ research is based on document analysis.
5. _____ research is done to understand an event from the past.
6. The first step in any marketing research project is _____.
7. Research begins with _____ of research problem.
8. Longitudinal research involves _____.
9. Explanatory research is a _____ research.
10. _____ hypothesis assumes that there is no significant difference between the true parameter and hypothesized value.
11. In case of two tailed test, the area of acceptance or rejection lies on _____ of distribution of variable. (One end/both ends)
12. Under _____ sampling, population is divided into different groups having different characteristics.
13. For drawing lottery _____ sampling is used.
14. Every item of population is included under the _____ method.
15. _____ is an example of bivariate data analysis. (mean/correlation)

Answer

1. Systematic, 2. Research, 3. Census method, 4. Descriptive, 5. Historical, 6. Formulating a research problem, 7. Formulation, 8. Panel, 9. Qualitative, 10. Null, 11. both ends, 12. Stratified, 13. Random, 14. Census, 15. Correlation

GROUP-B

Very short question.

[2 marks]

1. What is meant by Research?
2. Mention any two characteristics of Research.
3. Define Qualitative Research.
4. What is meant by research process?
5. What do you mean by research problem?
6. Define type-I error.
7. What is meant by hypothesis?
8. Define Null hypothesis.
9. What is sampling error?
10. Distinguish between time series data and cross section data.

GROUP-C

Short questions.

[3 marks]

1. Distinguish between basic research and applied research.
2. What is explanatory research and write down two characteristics?
3. What is meant by report preparation and report presentation?
4. What are the various sources of data for conducting marketing research?
5. Write the importance of formulating a research problem.
6. Distinguish between cross-sectional and longitudinal studies.
7. Distinguish between null hypothesis and alternative hypothesis.
8. Discuss the uses of chi square test.
9. What is simple random sampling? Write its merits and demerits.
10. Distinguish between census and sample method.

GROUP-D

Long answer questions.

[7 marks]

1. Explain the meaning and features of research. Discuss the criteria of good research.
2. What is research design? How would you classify the research design?
3. "Casual research is based on reasoning along well-tested lines". Comment.
4. "Experimental research is better than descriptive research". Do you agree with this statement? Why or why not?

5. A company claims that life of its product is 1600 hours. A sample of 100 units was tested and mean life of its products was found to be 1570 hours with a standard deviation of 120 hours. Test the claim of the company at 5% level of significance.
6. Distinguish between random sampling and systematic sampling. Give suitable examples.
7. Distinguish between 'simple random sampling' and 'stratified random sampling' and give examples of both.
8. Enumerate the various methods of collecting primary data.
9. What is processing of data? What are the various components?
10. Explain the role of computers in research.