

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN  
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)

Chromepet, Chennai — 600 044.

M.A. END SEMESTER EXAMINATIONS NOVEMBER - 2022

SEMESTER - I

**22PECCT1001 - Advanced Micro Economic Theory**

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

### Section A

Answer any **SIX** questions ( $6 \times 5 = 30$  Marks)

1. Describe the indirect utility function.
2. What do you understand by revealed preference?
3. Why is the long run average cost curves also called as envelope curves?
4. Fill in the blank cost spaces.

| Quantity<br>(Q) | Total<br>Fixed<br>Cost (TFC) | Total<br>Variable<br>Cost (TVC) | Total<br>Cost<br>(TC) | Average<br>Cost<br>(AC) | Marginal<br>Cost<br>(MC) |
|-----------------|------------------------------|---------------------------------|-----------------------|-------------------------|--------------------------|
| 0               | 100                          |                                 | 100                   |                         |                          |
| 1               |                              | 25                              |                       |                         |                          |
| 2               |                              |                                 | 140                   |                         |                          |
| 3               |                              | 50                              |                       |                         |                          |
| 4               |                              | 60                              |                       |                         |                          |
| 5               |                              |                                 | 180                   |                         |                          |
| 6               |                              |                                 | 210                   |                         |                          |
| 7               |                              | 150                             |                       |                         |                          |
| 8               |                              | 300                             |                       |                         |                          |
| 9               |                              |                                 | 600                   |                         |                          |
| 10              |                              |                                 | 1000                  |                         |                          |

5. Bring out the differences between returns to scale and varying proportions.
6. Explain price discrimination in a monopoly market.
7. What do you understand by market failure?
8. What is welfare *economics*?

**Contd...**

## Section B

### Part A

Answer any **TWO** questions ( $2 \times 10 = 20$  Marks)

9. Write in detail Slutsky's equation for normal goods.
10. Elaborate on the various types of production function.
11. Write an essay on the Envelope theorem.
12. Bring out the salient features of the Bertrand and Cournot equilibrium.

### Part B

Compulsory question ( $1 \times 10 = 10$  Marks)

13. Graphically explain 2X2X2 general equilibrium model.

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