



SOMAIYA

VIDYAVIHAR UNIVERSITY

Somaiya School of Humanities and Social Science

QUESTION PAPERS

BRANCH: Master of Arts (Economics)	SEM: III
	OCT/NOV-2023

Sr. No.	Subject	Available
1.	Behavioral Economics	
2.	131U01C305 – Macro Economics I	
3.		
4.		
5.		
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8.		
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10.		



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Semester (July 2023 to October 2023)		
Examination: End Semester Examination October/November 2023 (UG/PG Programmes)		
Programme code: Programme: MA Economics	Class: SYMA	Semester: III
Name of the Constituent College: S. K. Somaiya college.	Name of the Department: Economics	
Course Code:	Name of the Course: Behavioural Economics	
Duration : 2 Hrs.	Maximum Marks : 60	
Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary 3) Use of Calculator is allowed.		

Question No.		Max. Marks	Co Attainment
Q.1	Attempt any one set of the following questions (A, B OR C, D)		
A	What do you understand by the Mental Accounting?	8	2
B	Explain what is probabilistic Judgement by using the Bayes rule: OR	7	3
C	Suppose I face an uncertain situation, where I may get sick or not, so my income If I well is 25000, utility if I am well is 200, Income if I get sick is 12000 and Utility from it is 140 Probability of getting sick is 10% Find expected income, expected utility and Actuarially fair premium: And also show this graphically.	8	2
D	Explain the applications of behavioral economics and highlight the key differences between behavioral economics and traditional neoclassical economics.	7	1
Q.2	Attempt any one set of the following questions (A, B OR C, D)		
A	In the story of Ulysses and the Sirens from Greek mythology, Ulysses faced a critical self-control dilemma. Analyze this narrative in the context of behavioral economics and consumer choice theory.	8	2
B	State whether following statement is true or false with explanatory reason: "When interest rate increases and consumer is borrower and he still chooses to remains a borrower He must certainly better-off". OR	7	3
C	Discuss the concept of 'choice overload' in the context of decision-making. Provide examples of how choice overload can affect individuals in their everyday lives, and propose strategies for both consumers and businesses to address this phenomenon.	8	3
D	Explain the theory of Decision Point:	7	3
Q.3	Attempt any one set of the following questions (A, B OR C, D)		
A	Define Averages are preferred over Extremes.	8	4
B	Interpret Slutsky Equation in terms of Intertemporal choices. OR	7	3
C	Solve the following problem Your Utility function is : $Max U = C_1.C_2$ Income in period 1 = 104000 Income in period 2 = 106000 Interest rate for both lending and borrowing = 6%	8	2

D	Consider C0 and C1 is your Current and future consumption respectively , Draw the Intertemporal budget line and also state whether he is a borrower or lender: How does Heuristic Biases affect traders and investors? Discuss the biases with accurate examples.	7	3																									
Q.4 A	Attempt any one set of the following questions (A, B OR C, D) Solve the following Payoff matrix by using Hurwicz Criterion: Maximization and Minimization Problem Payoff Matrix / Cost Matrix: (find best alternative using maximization and minimization problem) <table border="1"><tr><td></td><td>A</td><td>B</td><td>C</td><td>D</td></tr><tr><td>S1</td><td>1000</td><td>1000</td><td>1000</td><td>1000</td></tr><tr><td>S2</td><td>200</td><td>2000</td><td>2000</td><td>2000</td></tr><tr><td>S3</td><td>-2200</td><td>-400</td><td>5000</td><td>5000</td></tr><tr><td>S4</td><td>-6200</td><td>-4400</td><td>10000</td><td>10000</td></tr></table> Alpha Value is = 0.5		A	B	C	D	S1	1000	1000	1000	1000	S2	200	2000	2000	2000	S3	-2200	-400	5000	5000	S4	-6200	-4400	10000	10000	8	4
	A	B	C	D																								
S1	1000	1000	1000	1000																								
S2	200	2000	2000	2000																								
S3	-2200	-400	5000	5000																								
S4	-6200	-4400	10000	10000																								
B	What is Social Welfare Function? And what are the types of Social Welfare Function. OR From the following payoff matrix giving the profit or losses of two firms determine:	7	4																									
C	1. Dominant strategy for firm C 2. Dominant strategy for firm D 3. Nash equilibrium, if there is one <table border="1"><tr><td colspan="2" rowspan="2"></td><td colspan="2">Firm D</td></tr><tr><td>Low Price</td><td>High Price</td></tr><tr><td rowspan="2">Firm C</td><td>Low Price</td><td>1,1</td><td>3,-1</td></tr><tr><td>High Price</td><td>-1,3</td><td>4,2</td></tr></table>			Firm D		Low Price	High Price	Firm C	Low Price	1,1	3,-1	High Price	-1,3	4,2	8	4												
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		Low Price	High Price																									
Firm C	Low Price	1,1	3,-1																									
	High Price	-1,3	4,2																									
D	Explain how behavioral insights and nudges have been applied to address social issues, such as sanitation, education, or financial literacy, in India.	7	4																									



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Programme code:26		Class: SY	Semester: III
Programme: MA Economics			
Name of the Constituent College: S K Somaiya College		Name of the Department: Economics	
Course Code: 131U01C305		Name of the Course: Macro Economics I	
Duration : 2 Hrs.		Maximum Marks : 60	
Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary			

Question No.		Max. Marks	Co Attainment
Q.1	Explain the Following		
A	Explain Keynesian aggregate supply curve with the help of frictional unemployment and natural rate of unemployment.	07	01
B	Price adjustment mechanism works automatically, explain with suitable diagram.	08	01
	OR		
C	Elaborate on aggregate demand policy under alternative supply assumption.	07	01
D	The aggregate demand curve shows the combination of Price level and level of output at which goods and money market are simultaneously in equilibrium, Justify statement with the help of the aggregate demand curve.	08	01
Q.2	Explain the Following		
A	Why wages are sticky? Discuss with the help of wage . . . unemployment relationship?	07	02
B	Write in detail Life Cycle permanent income theory of consumption and saving.	08	02
	OR		
C	Derive LM Curve and explain factors causing shift in LM Curve.	07	02
D	Label impacts of Monetary Policy on IS LM curve.	08	02
Q.3	Explain the Following		
A	How far are the quantitative methods of Credit control effective in developing countries like India?	07	03
B	Mention factors determining money supply as per RBI's approach.	08	03
	OR		

C	Discuss empirical evidence of supply of money.	07	03
D	How hyper inflation results in economic crisis? Explain with suitable examples.	08	03
Q.4	Explain the Following		
A	Describe features of business cycle.	07	04
B	Illustrate on Luca's new classical (rational expectation) theory of business cycle.	08	04
	OR		
C	Discuss how fiscal policy is used to control inflation with the help of suitable diagram.	07	04
D	Explain monetary policy from monetarist view.	08	04