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**Gandhi Institute of Engineering and Technology University, Odisha, Gunupur
(GIET UNIVERSITY)**



Ph.D. (First Semester-Summer) Examinations, December – 2025
**23SPPEEM1011 – ADVANCES IN ECONOMIC THEORY AND POLICY
(Economics)**

Time: 3 hrs

Maximum: 70 Marks

The figures in the right hand margin indicate marks.

Answer ANY FIVE Questions.	(14 x 5 = 70 Marks)	Marks
1.a. What are the main ideas in Hicks's compensated demand theory?		7
b. Using indifference curves and budget line, explain how income and substitution effects help derive a demand curve.		7
2.a. Define consumer surplus. Explain how Marshall measured consumer surplus using the demand curve.		7
b. What are Cobb-Douglas and CES production functions? State their importance.		
3.a. What is excess capacity under monopolistic competition? Explain with a diagram.		7
b. Critically analyse the innovation theory of profit?		7
4.a. What is an isoquant? Explain how isoquants and iso-cost lines help determine producer equilibrium.		7
b. Define price discrimination. State the conditions needed for price discrimination under monopoly.		7
5.a. Critically examine the marginal productivity theory of distribution state?		7
b. What is Arrow's impossibility theorem? Explain its implications for social welfare decisions.		7
6.a. What do regression equations represent in statistics? Find the regression equations for the given X and Y data. X: 8, 10, 9, 7, 8, 9, 6 Y: 2, 3, 4, 2, 5, 4, 6		7
b. What is meant by general equilibrium? Explain general equilibrium in consumption, production and exchange.		7
7.a. Calculate mean and standard deviation from the following distribution:		7
Marks	:0–10 10–20 20–30 30–40 40–50 50–60	
No. of Students	:10 18 27 32 24 09	
b. Mr. X, who is earning, Rs. 10,000 per month, spends Rs. 1000 as his personal expenditure, when his salary has gone up to Rs. 20,000, he is interested to spend Rs.1600 as his personal expenditure. Is the personal expenditure of Mr. X is elastic or inelastic?		7
8.a. What is a producer's cartel? What are the objectives of forming such cartels?		7

b. Explain the shapes and implications indifference curve under the following conditions:

7

- a) When MRS is increasing b) When MRS remains constant and c) When MRS is Zero.

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