

Applied microeconomics exam questions

1. Basics of microeconomic analysis.
2. Principles of constructing microeconomic models.
3. Difference between positive and normative economics.
4. Application of mathematical methods in microeconomics.
5. Utility theory: cardinal and ordinal approaches.
6. Consumer budget constraint.
7. Consumer choice optimization: utility maximization.
8. Indifference curves and their properties.
9. Substitution and income effects (Slutsky and Hicks analysis).
10. Demand elasticity: price, income, and cross elasticity.
11. Consumer behaviour models: bounded rationality.
12. Production function and its types (Cobb-Douglas, CES).
13. Firm costs: short-run and long-run.
14. Firm optimization: profit maximization.
15. Economies of scale.
16. Factor markets in the firm model.
17. Analysis of short-run and long-run firm equilibrium.
18. Characteristics of a dominant firm in the market.
19. Dominant firm model: price discrimination.
20. Pricing strategies of a dominant firm.
21. Impact of a dominant firm on market competition.
22. Analysis of entry barriers for a dominant firm.
23. Positive and negative externalities.
24. Coase Theorem and its applications.
25. Market failure due to externalities.
26. Policy for regulating externalities (taxes, subsidies).
27. Modelling environmental externalities.
28. Asymmetric information problem: moral hazard.
29. Adverse selection problem.
30. Signalling and screening mechanisms.

31. Models of markets with asymmetric information (insurance market).
32. Impact of asymmetric information on market efficiency.
33. Becker's economic model of crime.
34. Rational choice in criminal behaviour.
35. Impact of penalties on crime rates.
36. Economic costs of crime to society.
37. Crime prevention policy: economic approach.
38. Demand and supply in the labour market.
39. Wage models: competitive equilibrium.
40. Impact of unions on the labour market.
41. Capital market: investment decision models.
42. Land and natural resource market: rent payments.
43. Impact of taxes on consumer and firm behaviour.
44. Taxation models.
45. Models of tax impact on economic activity.
46. Types of auctions.
47. Models of optimal bidding strategies in auctions.
48. Ausubel auction.
49. Ricardo's model of comparative advantage.
50. Heckscher-Ohlin model.
51. Impact of tariffs and quotas on international trade.
52. Exchange rate model.
53. Krugman's new trade theory.
54. Effects of trade policy on welfare.