



DOON UNIVERSITY, DEHRADUN

Mid Semester Examination, M. Sc Sixth, Tenth, M.A. Fourth Semester 2018
School of Social Sciences
Course: SSEI 369 LABOUR ECONOMICS

Time Allowed: 2Hours

Maximum Marks: 30

Note: Attempt All Questions from Sections A and B and one from Section C.

Section A

Attempt all Questions.

(5x2=10)

1. What do you mean by Unemployment rate and Labour Force Participation Rate
2. What do you understand by Utility function in labour market
3. Define marginal utility of leisure and consumption
4. What do you understand by reservation wage and labour supply elasticity
5. What do you understand by income and substitution effect

Section B

Attempt all Questions.

(4x3=12)

1. Show that slope of budget line is same as wage rate.
2. Why do welfare programs create work disincentives
3. Explain in brief why labour supply curve backward bending
4. Prove that slope of indifference curve is the ratio of marginal utilities.

Section C

Attempt any one question.

(1x8=8)

1. Explain with diagram what happens to hours of work when the wage rate increases. Decompose the change in hours of work into income and substitution effect
2. What is endowment point? Explain with diagram the effect of increase in non-labour income on the leisure time