No. of Printed Pages—3

02N (ME)

[18–HRGPKAC–MD1S (N)]

MBA 1st Semester (New) Exam., 2018 (W)

MANAGERIAL ECONOMICS

[PGBA S1–02/PGCM S1–02]

Full Marks : 80

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. *(a)* Answer the following questions in *one/two* sentence(s) : 1×8=8

(i) Find the value of MR when price elasticity of demand is 1.

(ii) Define Giffen goods.

(iii) Define depreciation.

(iv) Define marginal efficiency of capital.

(v) Define business cycles.

(vi) What is meant by stagflation?

(vii) Who advocated the multiplier-accelerator interaction theory of business cycles?

(viii) Too much money chasing too few goods—refer to what type of inflation?

(b) Choose the correct answer of the following : 1×4=4

(i) A typical demand curve cannot be

1. convex to the origin
2. a straight line parallel to *y*-axis
3. a straight line parallel to *x*-axis
4. rising upwards to the right

(ii) Supply of a commodity is a

1. stock concept
2. flow concept
3. Both stock and flow concept
4. None of the above

(iii) Utility may be defined as

1. the power of a commodity to satisfy wants
2. the usefulness of a commodity
3. the level of satisfaction given by a commodity
4. the desire for a commodity

(iv) The vertical distance between TVC and TC is equal to

1. MC
2. AVC
3. TFC
4. AFC

(c) Fill in the blanks : 1×4=4

(i) The law of equi-marginal utility states that

$$\frac{MU_x}{P_x} = \frac{MU_y}{P_y} = \ldots\ldots\ldots = \frac{MU_z}{P_z} = _____ .$$

(ii) NNP at factor cost = NNP at market price – _____ + subsidies.

(iii) Laspeyre's price index number $(p_{01}) = \frac{\Sigma p_1 q_0}{_____} \times 100.$

(iv) The demand for money for _____ motive is interest elastic.

2. Answer any *five* questions from the following (each in around *50* words) : 2×5=10

(a) According to the law of demand, other things being equal, the quality demanded will rise with a fall in its price. In this statement, what are the 'other things'?

(b) Draw a supply curve from a hypothetical schedule.

(c) Show diagrammatically the position of consumer's equilibrium in the ordinal approach of consumer behaviour.

(d) Why is long-run average cost curve called 'envelope curve'?

(e) Mention any two objectives of pricing policies.

(f) Distinguish between inflation and deflation.

3. Answer any *four* from the following questions (each in around *150* words) : 3×4=12

(a) Briefly explain the conditions, where the law of demand is violated.

(b) What is meant by elasticity of supply? How is it calculated? 1+2=3

(c) Briefly explain the concept of indifference map.

(d) Show the relationship between AC and MC with the help of a diagram.

(e) Show the relationship between AR and MR under perfect and imperfect competition market structure.

4. Answer any *three* questions from the following (each in around *250* words) : 6×3=18

(a) Explain the role of demand forecasting in managerial economics.

(b) Examine the main ideas behind the Baumol's sales maximization model.

(c) Explain the concept of price discrimination.

(d) Explain the income approach of measuring national income.

5. Answer any *three* from the following questions (each in around *300* words) : 8×3=24

(a) What is meant by managerial economics? Discuss its scope.

(b) Explain the increasing, decreasing and constant returns to scale with the help of isoquants.

(c) Discuss how price and output are determined in the short-run under perfect competition market structure.

(d) Write short notes on the following : 4×2=8

(i) Technical attributes of consumptions function

(ii) Phases of business cycles

★★★