[23 HKPD1SNP- 24M]

MBA / MCOM 1st Semester (NEP) Exam. 2023 (W)

MBA/MCOM (DSC)

(*Managerial Economics*)

[CM S1-02]

Full Marks : 70

Time : 3 hours

The figures in the right-hand margin indicate marks.

1. Answer any *five* from the following questions (each in about 400 words): $10 \times 5 = 50$

(*a*) Consider the following data:

Combination of L and K	Units of L	Units of K	Total output (in tonnes)
1	1	25	85
2	2	20	85
3	3	16	85
4	4	13	85
5	5	11	85
6	6	10	85

Here, L = Labour and K = Capital. Draw an isoquant based on the above data and explain. State the reasons why (*a*) an isoquant is convex to the origin and (*b*) two isoquants can't intersect ? $5 + 5 = 10$

(*b*) What does an indifference curve exhibit ? Explain the important properties of an indifference curve with the help of appropriate figures. $2 + 8 = 10$

(*c*) Discuss the relationship between marginal efficiency of capital (MEC) and rate of interest. When the interaction of MEC and rate of interest yield favourable effect on investment ? Discuss the different factors that affect MEC. $3 + 1 + 6 = 10$

(*d*) Discuss how a monopolistic firm attains equilibrium in the short run earning excess profit. How this excess profit is wiped out when the firm attains long-run equilibrium ? Discuss. $5 + 5 = 10$

(*e*) The following table shows the price and quantity of the commodities consumed in 2018 and 2022.

	2018		2022	
Commodities	Price (Rs)	Quantity (kg)	Price (Rs)	Quantity (kg)
A	400	35	460	35
B	800	10	1000	10
C	300	15	50	12
D	4000	10	5000	08
E	50	20	300	20

Based on the above data calculate:

(*i*) Paasche's price and quantity index numbers.

(*ii*) Fisher's price and quantity index numbers.

(*f*) Write short notes on the following (each in about 200 words): $2 \times 5 = 10$

(*i*) Demand forecasting for new products.

(*ii*) Exceptions to the law of demand.

(*g*) Discuss the concept of demand pull inflation. State the fiscal measures to control inflation. $6 + 4 = 10$

(*h*) Show the different phases of business cycles revealing a growth trend of the economy over a period of time. How the different monetary and fiscal policy measures can help in the control of business cycles ? Discuss. 4 + 6 = 10

2. Answer any *four* from the following questions (each in around 200 words): 5 × 4 = 20

(*a*) Discuss the scope of managerial economics.

(*b*) Discuss the different factors affecting elasticity of supply.

(*c*) How can we derive the long-run marginal cost curve ? Discuss with the help of appropriate figure.

(*d*) How a firm under perfect competition attains long-run equilibrium ? Discuss with the help of appropriate figure.

(*e*) Discuss the five different goals a modern firm envisions as outlined by Cyert and March.

(*f*) Discuss the concept of marginal revenue with the help of appropriate example.