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707 (ME)

[18–HRGPKAC–M1S (N)]

PGDBM/MBA 1st Semester (New Course) Exam., 2018

MANAGERIAL ECONOMICS

[PGDBM/MBA (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) each : 1×8=8

(i) Define monopoly market.

(ii) Define managerial economics.

(iii) Define total utility.

(iv) Define marginal revenue.

(v) Define deflation.

(vi) Define sunk cost.

(vii) Define investment.

(viii) Define cross-elasticity.

(b) Choose the correct answer : 1×4=4

(i) The demand curve

(1) slopes upward towards right

(2) is horizontal to *X*-axis

(3) slopes downward towards right

(4) None of the above

(ii) Demand forecasting relates to

(1) prediction of price in future

(2) prediction of consumers' desire

(3) prediction of firm's profit

(4) None of the above

(iii) The law supply states that

(1) when price of a commodity increases, its supply decreases

(2) supply increases, when the price of the commodity increases

(3) supply is not related to price

(4) supply of a commodity depends on its production

(iv) The profit maximization model states that

(1) a firm must generate the maximum profit in the short-run

(2) the firm has to generate the maximum profit in the long-run

(3) the firm maximizes its balanced growth

(4) None of the above

(c) Fill in the blanks : 1×4=4

(i) Managerial economics is both ____ and prescriptive.

(ii) Total variable cost changes with the change in total _____.

(iii) National income refers to the total _____ of a country.

(iv) The business activities tend to decline in _____ phase.

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

(a) State the law of diminishing marginal utility.

(b) What is meant by business cycle?

(c) What is growth maximization model?

(d) What is meant by elasticity of demand?

(e) State the importance of index numbers.

(f) State the importance of demand forecasting.

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

(a) Differentiate between induced and autonomous investments.

(b) Explain any two determinants of demand.

(c) What is meant by market equilibrium?

(d) Differentiate between accounting cost and economic cost.

(e) Define demand-based pricing method.

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

(a) Discuss any two methods of demand forecasting. 3+3=6

(b) What is the law of variable proportion? State its assumptions. 2+4=6

(c) Discuss the difficulties in measuring national income. 6

(d) Discuss the features of business cycle. 6

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

(a) Discuss the functions of a managerial economist. 8

(b) What is meant by monopolistic competition? Discuss its features. 3+5=8

(c) Discuss the equilibrium position of a firm in the long-run under perfect competition market structure. 8

(d) Discuss the impact of inflation on the economy. 8

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