

MS-103/CP-1005

Managerial Economics / Economics for Managers

प्रबन्धकीय अर्थशास्त्र / प्रबन्धकों के लिए अर्थशास्त्र

Master of Business Administration / Diploma in Management
(MBA-10/12/13/16/17 / DIM-10/16/17)

Ist Semester Examination, 2019 (June)

Time : 3 Hours]

Max. Marks : 80

Note : This paper is of Eighty (80) marks divided into three (03) sections A, B and C. Attempt the questions contained in these sections according to the detailed instructions given therein.

SECTION-A

(Long Answer Type Questions)

Note : Section 'A' contains four (04) long answer type questions of Nineteen (19) marks each. Learners are required to answer any two (02) questions only.

(2×19=38)

1. Show equilibrium of a producer with the help of isoquants. How is the equilibrium affected by change in price of a factor ?
2. What do you understand by 'Perfect competition' ? Explain how price is determined in the market and how is the price affected by change in demand and supply ?

3. What is the nature of demand curve of a monopolist ? Explain equilibrium of a monopolist with the help of demand curve, marginal revenue curve, average cost and marginal cost curves. How will the profit be determined ?
4. What is national income analysis ? What is the purpose of computing national income ? What are the problems in measurement of national income ?

SECTION-B

(Short Answer Type Questions)

Note : Section 'B' contains eight (08) short answer type questions of eight (08) marks each. Learners are required to answer any four (04) questions only. (4×8=32)

1. Explain different degrees of elasticity of demand.
2. What is demand forecasting ? What are its objectives in the short and the long run.
3. Given below is the price and quantity demanded for a consumer :

Price	Quantity
15	50
12	55

Calculate elasticity of demand. If the order of price and quantities are reversed, what shall be the elasticity ? How to remove this discrepancy ?

4. If we keep some factors as constant and change only 1 factor, then how will the total average and marginal products change ? Explain with an example.
5. Find the output for the following production function
$$Q = 50 L^{1/3} K^{2/3}$$
where $L = 27$ and $K = 8$.
6. What is break-even point ? What is the significance of this point ? Draw a graph / figure.
7. Does sales maximisation always lead to profit maximisation ? Explain.
8. Explain the main macro-economic objectives for an economy.

SECTION-C
(Objective Type Questions)

Note : Section 'C' contains ten (10) objective type questions of one (01) mark each. All the questions of this section are compulsory. (10×1=10)

Write True or False against the following :

1. Demand curve is always convex to the origin. (True/False)
2. If the demand curve is a vertical straight line, its elasticity is equal to one. (True/False)

3. If a product is transported from one place to another, it is a productive activity. (True/False)
4. The rate of change of total product is equal to average product. (True/False)
5. Isoquants and product possibility curves are the same. (True/False)
6. Average fixed cost curve can cross the 'x' axis. (True/False)
7. Shut down price is equal to average variable cost. (True/False)

Fill in the blanks :

8. If the total cost of producing 10 units is Rs. 100 and of 20 units is Rs. 150, then the total cost of producing 30 units is Rs. _____.
 9. Monopsony is a market, where there is/are _____ buyer/s.
 10. In a monopoly, the slope of AR is _____ than MR.
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