47 (1) MNEC–1036

2022

(Held in 2023)

MANAGERIAL ECONOMICS

Paper : BBA–HC–1036

Full Marks : 80

Time : Three hours

*The figures in the margin indicate
full marks for the questions.*

1. Choose the correct answer :   1×10=10

    (a) Indifference map refers to

        (i)   highest indifference curve

        (ii) lowest indifference curve

        (iii) family of indifference curves

        (iv) None of the above

    (b) When AP is maximum, MP is equal to

        (i)   AP

        (ii)   TP

        (iii) Zero

        (iv)   One

(c) All the supply curves which pass through the origin are

    (i)   highly elastic

    (ii) unitary elastic

    (iii) perfectly inelastic

    (iv) less elastic

(d) When market demand is more than market supply, it refers to a situation of

    (i)   excess supply

    (ii) equilibrium level

    (iii) excess demand

    (iv) None of the above

(e) Under which market form, firm is a price taker ?

    (i)   Perfect competition

    (ii) Monopoly

    (iii) Oligopoly

    (iv) Monopolistic competition

(f) If the consumption of an additional unit of a commodity causes no change in TU, then the resultant MU is

(i) positive

(ii) negative

(iii) constant

(iv) zero

(g) There will be a _____ in the demand curve of cars with an increase in the price of petrol.

(i) rightward shift

(ii) upward movement

(iii) leftward shift

(iv) downward movement

(h) According to law of variable proportions, there are _____ phases.

(i) 1

(ii) 3

(iii) 2

(iv) 4

(i) The cost curve, which is inversely S-shaped is

    (i) AC curve

    (ii) TFC curve

    (iii) MC curve

    (iv) TVC curve

(j) In monopoly, entry of new firms

    (i) is restricted at all times

    (ii) is possible only in the short run

    (iii) is possible only in the long run

    (iv) Both (ii) and (iii)

2. Answer in brief : **(any five)**   2×5=10

(a) State the law of supply.

(b) What is production function ?

(c) Write *two* basic features of monopolistic competition.

(d) Differentiate between cardinal utility and ordinal utility.

(e) Mention *two* factors that determine the cost of production.

(f) What is opportunity cost ?

3. Answer **any four** from the following questions : 5×4=20

(a) Prove graphically that *two* indifference curves cannot intersect each other.

(b) Show the relation between TU and MU.

(c) Differentiate between perfect competition and monopoly.

(d) State and explain the law of demand.

(e) Explain the conditions of short-run equilibrium of a firm under perfect competition.

(f) Given the TC function as

$$C = 150 + 5Q + Q^2$$
where Q is the output.
Find AC and AVC.

(g) Write the various characteristics of utility.

4. Answer **any five** from the following questions : 8×5=40

(a) What is price elasticity of demand ? Discuss the degrees of price elasticity of demand.

(b) Explain the long-run equilibrium of a firm under monopoly.

(c) State and explain the law of variable proportions. In which phase of law of variable proportions, a national firm aims to operate ?

(d) Write a note on economies of scale.

(e) Show the derivation of LAC curve from a family of SAC curves with the help of a diagram.

(f) Explain Slutsky substitution effect of a consumer with the help of indifference curves.

(g) Suppose, the demand and supply functions of a commodity which is being produced under conditions of perfect competition are given as

$$Q_d = 750 - 25P$$
$$Q_s = 300 + 20P$$

where, Q_d = Quantity demanded

Q_s = Quantity supplied

P = Price

Find out the equilibrium price and equilibrium quantity.

(h) What do you mean by returns to scale ? Explain the different types of returns to scale.

(i) Explain how equilibrium output and price are determined in Cournot's duopoly model.

(j) What is demand function ? Explain the various factors determining the demand of a commodity.

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