Total number of printed pages–5

47 (1) BBA–HC–1036

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) When the demand for tea changes due to a change in the price of coffee, it is a case of—

   (i) Cross elasticity

   (ii) Price elasticity

   (iii) Income elasticity

   (iv) Unit elasticity

(b) When the Total Product (TP) is maximum Marginal Product (MP) is equal to—

(i) Zero

(ii) One

(iii) Negative

(iv) None of the above

(c) In case of an inferior good, the income elasticity of demand is—

(i) Positive

(ii) Negative

(iii) Zero

(iv) Infinite

(d) The 'kinked' demand hypothesis exists in _____ type of market.

(i) Oligopoly

(ii) Monopolistic

(iii) Monopoly

(iv) Perfect Competition

(e) The total fixed cost curve (TFC) is—

(i) Horizontal

(ii) Vertical

(iii) Downward sloping

(iv) None of the above

(f) Which of the following is an example of variable cost of production ?

(i) Raw materials

(ii) Sales tax

(iii) Transportation charges

(iv) All of the above

(g) The Demand curve will shift to the right due to a change in—

(i) Income of the consumer

(ii) Prices of related goods

(iii) Taste and preference

(iv) All of the above

(h) A firm's equilibrium level of output is when—

(i) MC = MR

(ii) MC > MR

(iii) MC < MR

(iv) AC > AR

(i) An indifference curve slopes—

(i) downward from left to right

(ii) vertically

(iii) horizontally

(iv) slopes upward from left to right

(j) Which of the following are not an example of substitute goods ?

    (i)   Tea and Coffee

    (ii) Coke and Pepsi

    (iii) Ink pen and Ball pen

    (iv) Bread and Butter

2. Answer in brief :   2×5=10

(a) Define Utility.

(b) Give *two* examples of Explicit cost of production.

(c) What is opportunity cost of production ?

(d) Mention *two* determinants of demand.

(e) State the law of variable proportions.

3. Answer *any four* from the following :

                             5×4=20

(a) What are the various characteristics of perfect competition ?

(b) State the Law of demand and explain with the help of a diagram.

(c) Show with the help of diagrams different degrees of elasticity of demand.

(d) Show the relationship between Average Cost (AC) and Marginal Cost (MC) of production.

(e) Write a short note on Oligopoly.

4. Answer **any five** from the following :

8×5=40

(a) Explain the 'Revealed preference hypothesis' of consumer behaviour.

(b) Show the Income effect of a consumer with the help of Indifference curves.

(c) What are iso-quants ? What are the properties of an iso-quant ?

(d) Who is a Monopolist ? How does a monopolist fix his price and output ?

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

(f) Write a short note on Economies and Dis-economies of scale.

(g) Explain consumer's equilibrium with the help of Indifference curves.

(h) Show with the help of a diagram the relationship among Total Product (TP), Marginal Product (MP) and Average Product (AP).

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