2013

DDE

M.Com. Part-II Examination

COMMERCE

PAPER—V

Full Marks : 100

Time : 4 Hours

The figures in the right-hand margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

Illustrate the answers wherever necessary.

Write the answer question of each Half in <u>separate books</u>

First Half

(Managerial Economics)

[Marks : 50]

Answer Q. No. 1 and any two from the rest.

1. Answer any *four* questions :   5×4

   (a) Briefly discuss the various theories of profit.

   (b) Explain the concept of Expansion path.

   (c) Show that for a CES production function, elasticity of substitution is always constant.

   (d) Discuss the various aspects of production cost.

(Turn Over)

(e) Establish the equilibrium of a monopolistically competitive seller.

(f) Write a note on Baumol's theory of Sales revenue maximisation.

(g) Classify different types of games.

(h) Explain the role of pricing in a Leontief System.

2. Explain the factors that affect the market demand of a product. Discuss the different methods of demand forecasting.

7+8

3. What is a production function ? Explain the law of variable proportion. In this context, establish the relationship between Total, Average and Marginal product.

3+4+8

4. Determine the supply curve of a perfectly competitive firm. Show that in a Cournot duopoly setup with zero cost of production, each producer has $1/_3$rd market share.

7+8

5. What are the basic features of an input-output model ? Determine the gross output in a closed leontief system. Discuss the role of Hawkin–Simon conditions in this modal

4+8+3

(Continued)

Second Half

(Elements of Macro-economics)

[Marks : 50]

Answer Q. No. 6 *and any two from the rest.*

6. Answer any *four* of the following :   5×4

(a) Define average propensity to consume and marginal propensity to consume and establish the relationship between the two.

(b) Explain the factors affecting the consumption function of a community.

(c) "S = I" Do you agree with this ? Give reasons in support of your answer.

(d) Make a clear distinction between MEC and MEI.

(e) Write a brief note on aggregate supply.

(f) Narrate the characteristic features of the Neo-classical macro economics.

(g) Explain the economic effects of inflation on a society.

(h) What do you mean by balance of payments ? Explain the various components of balance of payments.

(Turn Over)

7. Define National Income of a country. What are the different approaches to the measurement of National Income ? Explain these approaches, indicating clearly the inherent difficulties in these approaches.

2+3+10

8. How did (a) the relative income hypothesis and (b) the permanent income hypothesis explain the short run variability and the log run constancy of the relationship between consumption and income ?

8+7

9. Define the Keynesian investment multiplier. Establish the relationship between the marginal propensity to consume and the multiplier. Set the limiting values of the multiplier. What are the leakages of this multiplier.

2+5+2+6

10. (a) Explain the relationship between inflation and unemployment.

(b) Write a critical note on the inventory theoretic approach to the demand for money.

5+10

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