

**2011**

**M B A**

**1st Semester Examination**

**MANAGERIAL ECONOMICS**

**PAPER—MBA-102**

*Full Marks : 100*

*Time : 3 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 answers to Questions of each Half in separate books.*

**(First Half)**

**(Marks : 50)**

**1. Answer any four questions from the following : 5×4**

(a) Discuss briefly the scope of managerial economics.

(b) Distinguish among CRS, IRS and DRS.

*(Turn Over)*

- (c) Classify markets according to degree of competition.
- (d) What are the determinants of market demand ?
- (e) What do you mean by price elasticity of demand ?  
Make a clear distinction between elastic demand and inelastic demand give proper examples of each.
- (f) What is demand forecasting ? Why is it necessary ?
2. Answer any *two* questions from the following : 10×2
- (a) Derive the price elasticity of demand at a particular point on the demand curve. Show that elasticity of demand varies from zero to infinity along the demand curve. 5+5
- (b) A firm uses two inputs, labour and capital and intends to produce as much as possible subject to a given level of cost. Explain diagrammatically, the optimal input combination that the firm will use. 10
- (c) Define price discrimination. What are the different degrees of price discrimination ? When can a price discriminatory monopolist make such price discrimination profitable ? 2+3+5

**[ Internal Assessment : 10 Marks ]**

**( Second Half )**

**(Marks : 50)**

**3. Answer any four questions :**

**5×4**

- (a) What are transfer payments? Are these parts of national income of a country?
- (b) Explain the Net Present value criteria for investment.
- (c) Define inflationary gap. Suggest the measures that help to reduce the gap.
- (d) Distinguish between autonomous investment and induced investment.
- (e) 'Balance of payment is always balanced'—Explain the statement.
- (f) State and explain the basic proposition of the Heckscher Ohlin trade theorem.

**4. Answer any two questions :**

**10×2**

- (a) What do you mean by gross national product (GNP) of a country? How can you get net national product (NNP) from the GNP?

Do you think that an increase in GNP will necessarily mean an increase in social welfare of a country?

Give arguments for your answer.

**2+2+6**

- (b) Explain the factors that affect the consumption demand of a product. 10
- (c) Explain different phases of business cycle. Examine economic policies that are crucial for 'recovery' of an economy. 5+5

**[ Internal Assessment : 10 Marks ]**

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