MBA/IS/102/09

2009

MASTER OF BUSINESS ADMINISTRATION

[1st Semester]

(*Managerial Economics*)

PAPER — 102

Full Marks : 100

Time : 3 hours

The figures in the right-hand margin indicate marks

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

Illustrate the answers whenever necessary

Write the answers to questions of each Half in separate books

FIRST HALF

[*Marks* : 50]

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

   (*a*) Distinguish between isocline, ridge line and expansion path.

   (*b*) What do you mean by break-even point? Explain how it is determined.

   (*c*) Prove that elasticity of substitution for Cobb–Douglas production function is unity.

   (*d*) Derive the conditions of profit maximisation of a discriminating monopolist.

   (*e*) What is market in economics? What are its features? Make a brief classification of markets.

   (*f*) Define Oligopoly. Mention the characteristic features of oligopoly.

2. Answer any *two* questions: 10×2

   (a) (*i*) Why is the demand curve downward
              falling? Explain with the help of
              indifference curve analysis.

       (*ii*) Derive the price elasticity of demand at a
              particular point on the demand curve. $5 + 5$

   (b) What is the importance of demand forecasting?
        Mention the factors involved in demand
        forecasting. Explain briefly any statistical
        method of demand forecasting. $2 + 2 + 6$

   (c) Find the short run and long run equilibrium of
        a firm under monopolistic competition. What
        do you mean by excess capacity in such a
        market? $8 + 2$

[*Internal Assessment* — 10 Marks]

SECOND HALF

[*Marks* : 50]

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

   (a) Explain briefly the concept of saving–investment identity.

   (b) Distinguish between MPC and APC.

   (c) Distinguish between GNP and GNI.

   (d) What is depression? What are its basic characteristics?

   (e) Define inflationary gap and graphically present this gap.

   (f) Make a clear distinction between balance of trade and balance of payments.

4. Answer any *two* questions from the following: 10 × 2

   (a) Explain how the equilibrium national income of a country is determined in a simple Keynesian model.

(*Continued*)

(*b*) Explain briefly the Harrod - Domar growth model and enumerate the problems involved in the short run and in the long run.

(*c*) Define national income of a country. What are the various methods of measuring national income of a country ? Explain any one method, indicating clearly, the difficulties involved in such measurement.

[*Internal Assessment* — 10 Marks]