

**2013**

**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 the scope of Managerial Economics.
- (b) Distinguish among own price, cross price and income elasticities of demand.

*(Turn Over)*

- (c) Describe the factors affecting price elasticity of demand for a commodity.
- (d) Explain any one method of demand forecasting.
- (e) Narrate the features of Oligopoly.
- (f) What is a market? Make a brief classification of market.

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

- (a) Explain short run and long run laws of production. 5+5
- (b) (i) Explain the relation between AVC, AC and MC.  
(ii) Distinguish between economics and diseconomics of scale. 5+5
- (c) What is monopoly? How does a monopolist attain equilibrium? Examine if the monopolist can attain equilibrium when the elasticity of demand for his product is less than unity. 2+6+2

**[ Internal Assessment : 10 Marks ]**

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**(Second Half)**

(Marks : 50)

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

(a) Define marginal propensity to consume. What numerical values can it take? Why did Keynes assume that marginal propensity to consume is less than one? 2+1+2

(b) 'Germany experienced an inflation of rate more than 50% after World War I in 1922-24'.

What types of inflation it is? How is this type of inflation distinguished from deflation? 2+3

(c) Define liquidity trap. Can the monetary authority increase the level of employment of an economy under liquidity trap with an expansionary monetary policy? Explain. 3+2

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

(e) State and explain the basic proposition of the Harrod-Domar theory of growth.

(f) Which macro economic variable is mainly responsible for the existence of trade cycle in every economy? Make a clear distinction between recession and depression. 1+4

4. Answer any *two* questions from the following : 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 how the equilibrium National Income (Y) of a country is determined in a simple Keynesian Model. Determine Y for both closed economy & open economy model. 5+3+2

- (c) Define inflation. Make a clear distinction between demand pull and cost push inflation. Explain various effects of inflation in an economy. 2+5+3

**[ Internal Assessment : 10 Marks ]**

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