

PGDBM/MBA 1ST SEMESTER EXAMINATION, 2013

Paper – II : MANAGERIAL ECONOMICS

Full Marks : 80

Time : 3 Hours

Q.1. Answer any five of the following questions 2×5 = 10

(each within 50 words)

- (i) What do you mean by the term 'Managerial Economics'?
- (ii) Explain the term 'demand' with examples.
- (iii) What is Cross – Elasticity of demand?
- (iv) What do you mean by 'Laws of Production'?
- (v) What is oligopoly market? Give examples.
- (vi) What is skimming price policy?

(each within 100 words)

- (i) Explain the concept of 'Opportunity Cost' with examples.
- (ii) Explain the concept of Point Elasticity of demand.
- (iii) What is Law of Returns to scale?
- (iv) Distinguish between individual demand and market demand.
- (v) What is Multi – Product Pricing?

3. Answer any three of the following questions 6×3 = 18
(each within 200 words)

- (i) Explain the concept of 'Externalities in economics'.
- (ii) What is Income Elasticity of Demand, Why is the income elasticity of demand for inferior goods is negative?
- (iii) Why the Indifference Curve has a negative slope?
- (iv) What is Cartel? Mention its important functions.
- (v) Under what circumstances does the law of demand fail to operate? Discuss.

(limit your each answer within 400 words)

- (i) Discuss the role and responsibilities of a managerial economist.
- (ii) What is an indifference map? Discuss the properties of an indifference curve.
- (iii) With proper diagrams, explain the Law of Diminishing Returns to a factor.
- (iv) With the help of suitable diagram, show how does a under perfect competition attain equilibrium in the short – run? Does a firm under perfect competition earn profit all the time? Explain.
- (v) Discuss the different degrees of Price – Discrimination. Under what conditions Price – Discrimination may be desirable?
- (vi) With the help of suitable example and figure, show how is equilibrium reached in a free market? Why is the equilibrium price called as the 'market clearing' price?

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