

2012

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 controversy over profit maximization hypothesis.
 - (b) Distinguish between individual demand and market demand.
 - (c) Explain the short run law of production.
 - (d) Prove that the MC curve will pass through the minimum point of the AC curve.

(Turn Over)

- (e) How is monopoly power of a firm measured?
- (f) State and explain the characteristics features of the monopolistically competitive market.

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

- (a) How can you measure the price elasticity of demand at a particular point on the demand curve? How does the elasticity varies along the demand curve? 8+2
- (b) What is the importance of demand forecasting? What are the factors involved in demand forecasting? Explain any statistical method of demand forecasting. 3+3+4
- (c) What are the assumptions of perfect competition? Explain the short run equilibrium of a firm under perfect competition. 1+8

[Internal Assessment : 10 Marks]

(Second Half)

(Marks : 50)

3. Answer any *four* questions from the following : 5×4
- (a) What is propensity to consume? Show in equation form the Marginal Propensity to consume. 2+3
 - (b) Explain Keynesian theory of investment. What is correlation between Savings and Investment? 3+2
 - (c) What is the concept of aggregate supply of money? How is calculation of aggregate supply of money done in finding Narrow Money and Broad Money? 2+3
 - (d) How theory of inflation explains which factors cause inflation? Illustrate this event in case of inflation in food product prices in India. 3+2
 - (e) What is Neo-classical Growth Theory? How does it differ from Harrod Domar Growth Theory? 3+2
 - (f) Distinguish clearly between monetary policy and fiscal policy.
4. Answer any *two* questions from the following : 10×2
- (a) (i) Can Business Cycle be stabilised?
 - (ii) Is free trade better than protection?
 - (iii) Can National Income be calculated without market prices of goods and services?
 - (iv) Does International Monetary System affect multi-national trade?

- (b) Define comparative advantage in international trade. Explain Ricardian theory of international trade.
- (c) What is the Keynesian investment multiplier? Establish the relationship between the marginal propensity to consume and the multiplier. Hence obtain the limiting values of the multiplier. 2+4+4

[Internal Assessment : 10 Marks]
