2015

M. Com.

1st Semester Examination

MANAGERIAL ECONOMICS

PAPER — COM-105

Full Marks : 50

Time : 2 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.

Unit—I

[Marks : 20]

1. Answer any two of the following : 2×5

(a) Define own price elasticity, income elasticity and cross elasticity. Draw the demand curves which are (i) perfectly elastic and (ii) perfectly inelastic. 3+2

(b) What is utility? What is the law of diminishing marginal utility? State a few cases where this law will not hold. 2+2+1

(Turn Over)
(c) What is an indifference curve? Derive the conditions of consumer's equilibrium. Give the economic interpretation of this condition.  

1+2+2

(d) Draw the TFC curve and hence show the AFC curve. Explain the shapes of both the TFC curve and the AFC curve.  

5

2. Answer any one of the following:  

1×10

(a) (i) What is an isoquant curve?

(ii) A firm produces a product. It wants to minimize the unit cost of production. How would it determine the lowest cost combination of inputs (labour and capital), for a certain quantity of output?

(iii) Give the economic interpretation of this condition.  

2+6+2

(b) (i) What is a production function?

(ii) Write the Cobb-Douglas production formula indicating its parameters.

(iii) State its properties (at least four).  

2+2+6
Unit—II

[Marks : 20]

3. Answer any two questions from the following : \(2 \times 5\)

(a) What are the basic features of a perfectly competitive market.

(b) How can you explain the fact that the monopolist will attain equilibrium only at the elastic zone of the demand curve?

(c) Explain the features of an oligopoly market.

(d) Determine the optimum strategies for the two players X and Y and find the value of the game for the following pay off matrix:

\[
\begin{bmatrix}
3 & -1 & 4 & 2 \\
-1 & -3 & -7 & 0 \\
4 & -6 & 2 & -9
\end{bmatrix}
\]

4. Answer any one of the following : \(1 \times 10\)

(a) (i) Mentioning the basic features of Monopoly. Derive the relationship between AR, MR, and elasticity of demand.

(ii) Derive the condition of equilibrium of price discriminating monopolist.

\(5+5\)
(b) You are given the following information of an economy consisting of three industries X, Y and Z:

<table>
<thead>
<tr>
<th></th>
<th>X</th>
<th>Y</th>
<th>Z</th>
<th>Bill of final consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>0.1</td>
<td>0.3</td>
<td>0.1</td>
<td>20</td>
</tr>
<tr>
<td>Y</td>
<td>0</td>
<td>0.2</td>
<td>0.2</td>
<td>0</td>
</tr>
<tr>
<td>Z</td>
<td>0</td>
<td>0</td>
<td>0.3</td>
<td>100</td>
</tr>
</tbody>
</table>

Find out the output level consistent with the above information.