MA/M.Sc. 1st Semester Examination, 2010

ECONOMICS

PAPER—III-ECO-103

Full Marks : 40

Time : 2 hours

Answer **all** the Groups

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 wherever necessary

GROUP—A

1. Answer any *five* questions :   2 x 5

    (*a*) What do you mean by a non-market economic organisation ? Give an example.

    (*b*) What is managerial division of labour ?

(c) Indicate the role of machines in defining the technological structure of a firm.

(d) Distinguish between private cost and social cost.

(e) What are the basic features of a market economy ?

(f) A second order condition for maximisation is generally put as a sufficient condition. Do you then think that the fulfilment of it is non-necessary ?

(g) Why do firms merge ?

(h) How concentration of industries can be measured by Herfindahl-Hirschmer index ?

(i) Distinguish between horizontal merger and conglomerate merger.

(j) List any two disadvantages of Multi-National Corporation.

GROUP – B

Answer any *two* questions   5 x 2

2. Define production possibility frontier. Indicate the main factors leading to a concave production possibility frontier.

3. Explain the term 'meteing cost'. Indicate its role in the existence of firm.

4. Explain in brief the causes of market failure.

5. Discuss the factors responsible for India's unattractiveness as an investment location.

GROUP – C

Answer any *two* questions   10 x 2

6. What do you mean by a firm ? Explain the main reasons behind the existence of a firm in an otherwise market economy.   10

7. What do you mean by an optimum firm. Explain the basic forces that determine the optimum size of a firm.   10

8. Write about the hermful and beneficial effects of the operatioñs of MNCs in Indian economy. 10

9. Comment on the following statements : 5 + 5

   (a) Sunk costs generate entry berriers.

   (b) Investing in excess capacity cannot serve as a tool for deterring entry.

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