

2008-09

Time : 3 hours

Full Marks : 80

Candidates are required to give their answers in their own words as far as practicable.

The figures in the margin indicate full marks.

*Answer from **both** the Groups as directed.*

Group – A

(Compulsory)

Answer **all** questions : $2 \times 10 = 20$

1. Select the correct answer of the following :

(a) The law of demand states that when :

- (i) Income rises, demand rises
- (ii) Price rises, demand rises
- (iii) Price falls, demand rises
- (iv) Income and price rise, demand rises

- (b) Demand can be defined as :
- (i) Desire to buy
 - (ii) Willingness to buy
 - (iii) Ability to buy
 - (iv) Desire and willingness to buy backed by adequate purchasing power
- (c) TU is maximum when MU is :
- (i) Zero
 - (ii) Infinite
 - (iii) Negative
 - (iv) Maximum
- (d) An indifference curve represents :
- (i) Two commodities
 - (ii) Four commodities
 - (iii) One commodity
 - (iv) All of the above
- (e) Law of Diminishing return was propounded by :
- (i) Adam Smith
 - (ii) Marshall
 - (iii) Ricardo
 - (iv) J. S. Mill
- (f) The mass production generally refers to :
- (i) Large scale production
 - (ii) Low production

- (iii) Machine made production
(iv) None of these
- (g) Inflation is that situation in which general price level :
(i) Rises (ii) Falls
(iii) Is same (iv) None of these
- (h) Average profit is equal to :
(i) $AC - TC$ (ii) $AC - VC$
(iii) $AR - AC$ (iv) $AC + AR$
- (i) A situation in which the number of competing firm is relatively small is known as :
(i) Monopoly (ii) Duopoly
(iii) Monoposomy (iv) Oligopoly
- (j) The want satisfying power of a commodity is known as :
(i) Demand (ii) Supply
(iii) Consumption (iv) Utility

Group – B

(Long Type Questions)

Answer any **four** questions.

2. Define Managerial Economics and discuss, in brief, its nature and scope. 15

3. Explain law of demand. Why does the demand curve slope downwards ? 15
4. Explain the concept of utility and types of utilities. 15
5. What do you understand by indifference curve ? Explain its advantages. 15
6. What do you understand by production function ? Explain factors affecting production functions. 15
7. Explain economies and diseconomies of scale in detail. 15
8. Explain concept of Break-even-analyses, its usage and limitations. 15
9. Explain the concept of Business Cycle. 15
10. Explain price and output determination under perfect competition. 15

