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2012

Time : 3 hours

Full Marks : 80

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

The questions are of equal value.

*Answer any **four** questions in which Q. No. 1 is compulsory.*

1. Choose the correct option from the following :

(a) The profit (P) at that level would be :

(i) $P = TC - TR$

(ii) $P = TR \cdot TC$

(iii) $P = TR - TC$

(iv) None of the above

where TR = Total Revenue ; TC = Total Cost

(b) Which one of the following is the determinant of demand ?

(i) Price of the Commodity

(ii) Taste and Preferences

AP – 4/2

(Turn over)

- (iii) Both (i) and (ii)
- (iv) None of the above
- (c) The correct formula of marginal revenue is :
- (i) $MR_n = \frac{TR}{Q}$
- (ii) $MR_n = \frac{d(TR)}{dQ}$
- (iii) $MR_n = TR \times Q$
- (iv) None of the above
- (d) Which one of the following is the correct reason for demand curve slope downwards ?
- (i) The law of diminishing
- (ii) Income effect
- (iii) Substitution effect
- (iv) All of the above
- (v) None of the above
- (e) Indifference curves are of the following shapes :
- (i) U-shape
- (ii) Upward sloping
- (iii) Horizontal Straight Line
- (iv) Smooth Downward Sloping

- (f) Long run AC curve is also known as :
- (i) Plant Curve
 - (ii) Envelope Curve
 - (iii) System Curve
 - (iv) Optimum Curve
- (g) The concept of indifference curve has been given by the _____ .
- (i) Marshall and Ricardo
 - (ii) Adam Smith and Hicks
 - (iii) R. G. D. Allan and Keynes
 - (iv) Hicks and Allan
- (h) The cost incurred at the time of setting up a plant is known as _____ .
- (i) Replacement Cost
 - (ii) Historical Cost
 - (iii) Abandonment Cost
 - (iv) Fixed Cost
- (i) The change in the consumption pattern of the consumer due to the change in the relative price alone is measured by :
- (i) Income Effect
 - (ii) Price Effect

- (iii) Substitution Effect
 - (iv) None of the above
- (j) Macro economics deals with the :
- (i) Study of individual behaviour
 - (ii) Study of aggregate
 - (iii) Study of individual and aggregate both
 - (iv) None of the above

2. What is indifference curve ? Discuss its properties and various effects.
3. What is Opportunity Cost ? Discuss its significance in the analysis of cost.
4. How price is determined in perfectly competitive market ?
5. Write note on Sweez's Kinked Demand Model of Oligopoly.
6. What is National Income ? How it is measured ? Also discuss the limitation in measuring it.
7. What is break-even analysis ? Discuss it's significance and limitation.

