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MGT/S-1/IV/13

**2013**

*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 :
  - (i) A monopolist faces :
    - (a) An upward sloping demand curve
    - (b) A perfectly elastic demand curve
    - (c) A downward sloping demand curve
    - (d) None of them
  - (ii) NNP equals :
    - (a) GNP adjusted for inflation
    - (b) GDP adjusted for inflation

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(Turn over)

- (c) GDP plus property income abroad
- (d) GNP minus Depreciation
- (iii) Managerial economics deals with :
  - (a) Public sector
  - (b) Private sector
  - (c) Both (a) and (b)
  - (d) None of them
- (iv) On which approach indifference curve is based ?
  - (a) Cardinal utility
  - (b) Ordinal utility
  - (c) Both (a) and (b)
  - (d) None of them
- (v) In the long term a firm will produce, provided the revenue covers :
  - (a) Fixed costs
  - (b) Variable costs
  - (c) Total costs
  - (d) Sales

(vi) The firms earn normal profit :

- (a) They will aim to leave the industry
- (b) Other firms will join the industry
- (c) The total revenue equals total costs
- (d) No profit is made in accounting terms

(vii) To adjust from GNP to NNP :

- (a) Deduct indirect expenses
- (b) Deduct depreciation
- (c) Deduct subsidies
- (d) Add inflation

(viii) A perfectly competitive market will be in equilibrium where :

- (a)  $MC = MR$
- (b)  $MC = MR = AC$
- (c)  $MC = AC = MR = AR$
- (d) None of them

(ix) The MR curve in Monopoly :

- (a) Equals the demand curve
- (b) Is parallel with demand curve

- (c) Lies below and converges with the demand curve
- (d) Lies below and diverges from the demand curve
- (x) Profits per sale is a measure of :
  - (a) Cash flow
  - (b) Profitability
  - (c) Feasibility
  - (d) Liquidity

2. Define managerial economics. What are the different types of business decisions involved in managerial economics.
3. What is demand ? Discuss its nature and reasons of the law of demand.
4. What do you understand by Elasticity of Demand ? Explain its practicability.
5. Distinguish between perfect and imperfect market. What are the factors which make a market imperfect ?

6. How price is determined in monopolistic competition ? Discuss with examples and graphs.
7. Write short notes on the following :
- (i) Indifference Curve
  - (ii) Types of Cost
  - (iii) National Income
  - (iv) Break-even Analysis

