CS/BBA(N)/ODD/SEM-3/BBAN-302/2019-20

Maulana Abul Kalam Azad University
of Technology, West Bengal

Utech

MAULANA ABUL KALAM AZAD UNIVERSITY OF TECHNOLOGY, WEST BENGAL

Paper Code : BBAN-302

PUID : 03633 (To be mentioned in the main answer script)

MANAGERIAL ECONOMICS

Time Allotted : 3 Hours   *Full Marks* : 70

The figures in the margin indicate full marks.

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

GROUP – A
(Multiple Choice Type Questions)

1. Choose the correct alternatives for any *ten* of the
    following :   10 × 1 = 10

    i)   For profit maximization under short run the
         condition is

         a) $AR = AC$ b) $MR = MC$

         c) $MC = AR$ d) $AR = MR$.

    ii) What does low P-V ratio indicate ?

         a) High profit   b) Low profit

         c) Normal profit   d) None of these.

    iii) Average cost is

         a) TC / Q b) $TR - AC$

         c) $MC - P$ d) MC / Q.

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iv) High P-V ratio indicates

   a) high profit,   b) low profit

   c) equal profit   d) none of these

v) Why Baumol kept a profit constraint in his model of sales maximization ?

   a) For gaining prestige

   b) For dividing it amongst members

   c) For the survival of the firm in the future.

   d) All of these.

vi) If $AC = 10q^3$ the MC is

   a) $10\,q^3$ b) $20\,q^3$

   c) $10\,q^4$ d) $40\,q^3$.

vii) For any max and min value $\dfrac{dy}{dx}$ is always

   a) zero   b) positive

   c) negative   d) none of these.

viii) Business environment consists of

   a) micro-environment.

   b) macro-environment

   c) both (a) and (b)

   d) none of these.

ix) Component(s) of monetary policy is/are

   a) public expenditure   b) public debt

   c) taxation,   d) none of these.

x) GDP of an economy will increase if

   a) unemployment increases

   b) cut-down in production

   c) demand increases,

   d) per capita income falls.

xi) The value of MPC in developing countries as compared to developed countries is

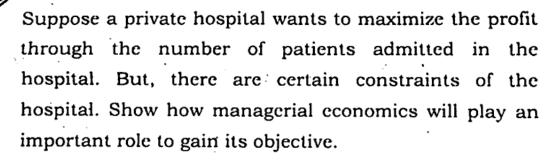   a) lower   b) higher

   c) equal   d) both (a) and (c).

xii) NAFTA is an example of

   a) common market

   b) customers union

   c) economic community

   d) free trade area.

GROUP – B
(Short Answer Type Questions)
Answer any *three* of the following.   3 × 5 = 15

2. Suppose a private hospital wants to maximize the profit through the number of patients admitted in the hospital. But, there are certain constraints of the hospital. Show how managerial economics will play an important role to gain its objective.

3. What is the change in the breakeven level of output if total fixed cost decreases ? Explain with the help of a diagram.   1 + 4

4. Given the cost function $C(x) = x^3 + 6x^2 + 13x + 15$; find the minimum marginal cost.

5. Enumerate the objectives of export and import policies.

6. Explain the role of Information and Communication Technology (ICT) in international trade.

GROUP – C
(Long Answer Type Questions)
Answer any *three* of the following. $3 \times 15 = 45$

7. a) Differentiate between Perfect · Competition and Monopoly.

   b) Explain the profit maximisation theory under monopoly market. $5 + 10$

8. a) Describe the breakeven point.

   b) What is the significance of break-even point ?

   c) Explain the role of break-even analysis in decision making. http://www.makaut.com $7 + 3 + 5$

9. A firm faces following demand and average cost function respectively :

   Q = 100 - 5P

   AC = 5 + (Q / 10)

   Determine the profit maximizing level of output and maximum profit.

10. a) Explain the components of business environment in brief.

   b) Differentiate between monetary policy and fiscal policy. $10 + 5$

11. a) Explain the major problems faced by developing countries in promoting their exports ?

   b) How does international trade affect developing countries ?
                                                $8 + 7$