



Name :

Roll No. :

Invigilator's Signature :

CS/BBA(OLD)/SEM-4/BBA-401/2010

2010

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 the following : $10 \times 1 = 10$

i) If the cross-elasticity of demand for commodity X with respect to Y is negative, X and Y are

- a) substitute goods
- b) complementary goods
- c) unrelated goods
- d) perfectly substitute goods.

ii) When AC curve reaches its minimum point, then

- a) $MC < AC$
- b) $MC = AC$
- c) $MC > AC$
- d) $MC = 0$.



- iii) A monopolist operates when
- a) price elasticity of demand > 1
 - b) price elasticity of demand < 1
 - c) price elasticity of demand $= 1$
 - d) price elasticity of demand $= 0$.
- iv) In micro-economic theory of firm, a perfectly competitive firm reaches its Break- Even Point (BEP) when
- a) AR covers at least AVC
 - b) AR covers at least AC
 - c) TC is recovered
 - d) TFC is recovered.
- v) Item deducted from GNP to find out NNP is
- a) export
 - b) capital depreciation
 - c) national wage bill
 - d) unilateral transfer.
- vi) When CRR increases,
- a) credit creation power of Commercial Bank increases
 - b) credit creation power of Commercial Bank decreases
 - c) credit creation power of Commercial Bank remains unchanged
 - d) no credit is created.
- vii) If a price elasticity of $dd = 0$, the dd curve is
- a) parallel to X-axis
 - b) parallel to Y-axis
 - c) negatively sloped
 - d) positively sloped.
- viii) For a firm, we have the following data :



Sales = Rs. 3,000 ; VC = Rs. 1,500 ; FC = Rs. 1,000.

The firm's P/V ratio will be

- a) 80% b) 75%
- c) 50% d) 39%.
- ix) "Slightly differentiated products" of the firms in concern is one of the major features of
- a) Perfect competition
- b) Monopolistic competition
- c) Monopoly
- d) Monopsony.
- x) Production will be continued so long as
- a) Price < Minimum of AVC
- b) Price \geq Minimum of AVC
- c) Price > Minimum of ATC
- d) Price = Minimum of ATC.

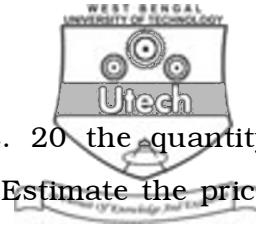
GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. 3 × 5 = 15

2. State the properties of indifference curve.
3. What is the nature of price discrimination ?
4. Enumerate the relationship between income effect and substitution effect.
5. Why does demand curve slope downward from left to right ?

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6. When price changes from Rs. 10 to Rs. 20 the quantity demanded changes from 40 kg to 20 kg. Estimate the price elasticity of demand.

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

7. Explain the various functions and the credit controlling processes of the Central Bank. 15
8. a) Define GDP and GNP.
- b) Explain the different methods used for the measurement of National Income. 5 + 10
9. Define Business Cycle. Explain the different phases of business cycle. 2 + 13
10. a) Define Break-Even Analysis.
- b) Briefly discuss the methods of performing Break-Even analysis.
- c) State the drawbacks of Break-Even analysis. 2 + 10 + 3
11. a) Highlight the main features of Perfect Competition.
- b) How do you explain the price and output determination under perfect competition ? 5 + 10

