

MP - 102
December - Examination 2015
MBA I Year Management Examination
Managerial Economics
Paper - MP - 102

Time : 3 Hours]

[Max. Marks :- 80

Note : The question paper is divided into three Sections A, B, and C. Write answer as per the given instructions.

Section - A

8 x 2 = 16

Note : Attempt all the questions within 30 words of each.

- 1) (i) Distinguish between movement and shift in a demand curve.
- (ii) Which of the following commodities have in elastic demand:- salt, a particular brand of lipstick, medicine, mobile phone and school uniform.
- (iii) What is point of inflection?
- (iv) Elucidate law of return to scale.
- (v) Differentiate between accounting costs and economic costs.

- (vi) Define externalities.
- (vii) How can economic growth be measured?
- (viii) What do you mean by Balance of payment?

Section - B

4 x 8 = 32

Note : Attempt any four questions within 200 words of each.

- 2) Define concept of excess capacity within help of diagram.
- 3) How is a market demand curve different from an individual demand curve? Explain.
- 4) Explain the law of variable proportions.
- 5) What are the reasons for increasing and decreasing returns to scale? Explain.
- 6) Explain measurement of price elasticity at a point on linear demand curve? Does elasticity differ at various point on it? How?
- 7) What is monopoly power? How is it related to the elasticity of demand facing a firm? Explain.
- 8) Explain main characteristics of managerial economics.
- 9) What is Inflationary and deflating gap?

Section - C

2 x 16 = 32

Note : Attempt any two questions within 500 words for each.

- 10) Explain the following:
 - (i) Three stages of production.
 - (ii) Feasible stages of production.
 - (iii) What should be the exact point of that stage where the producer will like to operate?
- 11) Explain the measurement methods of national income.
- 12) Describe the problems of Balance of Payments.
- 13) Explain circular flow of income for an economy.