



# G. S. College of Commerce & Economics, Nagpur

An Autonomous Institution

(Affiliated to Rashtrasant Tukadoji Maharaj Nagpur University)

First Semester Master of Business Administration Examination (CBCS)

## ECONOMICS FOR MANAGERS

(MBC 1.5)

Time: 3 Hours

Maximum Marks: 80

N.B.: All questions are compulsory.

Q. 1 Answer the following question in about 150-200 words: 10

A) You are given the following marginal utilities of goods X and Y obtained by consumer. Given that price of X = ₹ 2 and price of Y = ₹ 3 & money income of ₹ 24. Find out the optional combination of goods.

Units	MU <sub>x</sub> (Utils)	MU <sub>y</sub> (Utils)
1	20	24
2	18	21
3	16	18
4	14	15
5	12	9
6	10	3

OR

B) Explain properties of Indifference Curve.

Q. 2 Answer the following question in about 150-200 words: 10

A) A firm increases its advertising expenditure from ₹60,000 to ₹ 75,000. Its sales increases by 20% from the initial volume of 90000 units. Measure the promotional elasticity of demand.

OR

B) What are the different types of forecasting techniques?

Q. 3 Answer the following question in about 150-200 words: 10

A) Explain the law of variable proportion with suitable diagram.

OR

B) Explain the behavior of Average Cost Curve.

Q. 4 Answer the following question in about 150-200 words: 10

A) Explain various pricing methods in practice.

OR

B) Suppose a discriminating monopolist selling a product in 2 separate markets in which demand functions are

$$P_1 = 12 - Q_1$$

$$P_2 = 20 - Q_2$$

The monopolist total cost function is

$$TC = 3 + 2Q$$

Determine the prices to be charged in 2 markets and amount of output to be sold in each market so that profits are maximised.

Q. 5 Answer the following question in about 150-200 words:

10

A) Explain the methods of measuring national income.

OR

B) Calculate gross domestic product at market prices ( $GDP_{MP}$ ), gross domestic product at factor cost ( $GDP_{FC}$ ) and net national product at factor cost ( $NNP_{FC}$ ) from the following data.

	₹ (in crores)
1 Private final consumption expenditure	290
2 Government's final consumption expenditure	50
3 Subsidies	20
4 Gross domestic fixed capital formation	105
5 Indirect taxes	70
6 Depreciation	45
7 Net factor income from Abroad	(-5)
8 Net addition to stock	15
9 Net exports	(-5)

Q. 6 Answer the following question in about 150-200 words:

10

A) What are the different phases of Trade Cycle?

OR

B) Explain the different measures taken by RBI to control Inflation & Deflation.

Q. 7 Answer the following questions in about 75-100 words: (Any Five)

20

A) Explain the concept of consumer behavior.

B) What do you mean by elasticity of supply?

C) Give the features of COBB DOUGLAS production function.

D) Explain the concept of Kinked Demand Curve.

E) Define Multipliers.

F) What is Fiscal Policy?

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