Shiksha Mandal, Wardha's

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   A) Explain the nature and scope of Managerial Economics. (in about 150-200 words)   10

OR

B) You are given the following marginal utilities of goods x and y obtained by a consumer. Given that price of x = ₹ 5 and y = ₹ 4 and Income = ₹ 35. Find out the optimal combination of goods.

No. of Units Consumed	MU x	MU y
1	50	40
2	45	38
3	40	36
4	35	34
5	30	32
6	25	30

Q. 2   A) Explain the meaning of Elasticity of Demand with the methods of measuring price elasticity of demand. (in about 150-200 words)   10

OR

B) Demand for advanced economic theory by Dr. H.L. Ahuja is given by Q = 20,000 - 60p

i) Compute the point price elasticity of demand at price ₹ 200

ii) If the objective is to increase total revenue from the sales of the book, should the price be increased or reduced?

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

A) Explain the various types of Costs.

OR

B) Explain the Internal and External Economies of scale.

Q. 4   A) Explain the price and output determination under monopolistic competition in short-run. (in about 150-200 words)   10

OR

B) A firm's total variable cost is given by the following;

$$TVC = 75Q - 10\ Q^2 + Q^3$$

Will the firm produce the product if price of the product is ₹ 40?

Q. 5   A) Explain the various methods of measuring National Income. (in about 150-200 words)   10

OR

B) Calculate gross domestic product at Market Prices and NNP_{FC} and GDP_{FC} from the following data.

		Crore
1.	Net Indirect Taxes	38
2.	Consumption of Fixed Capital	34
3.	Net Factor Income From abroad	-3
4.	Rent	100
5.	Profit	125
6.	Interest	20
7.	Mixed Income of Self-Employed	120
8.	Wages & Salaries	170
9.	Employers Contribution to Social Security Schemes	30

Q. 6   Answer the following question in about 150-200 words: 10
A) Explain the concept of Fiscal Policy and its instruments to control Inflation.

OR

B) Explain the measures to control the Business Cycle.

Q. 7   Answer the following questions in about 75-100 words. (Any Five)   20
a)   Explain properties of Indifference Curve.
b)   Explain the need for Demand Forecasting.
c)   Explain the stages of law of variable proportion.
d)   Explain the types of Monopoly.
e)   Explain the importance of Multipliers.
f)   Explain the causes of Deflation.

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