

**MASTER OF BUSINESS ADMINISTRATION**  
**First Semester (Repeat)**  
**MANAGERIAL ECONOMICS**  
**(MBA - 103)**

**Duration: 3Hrs.**

**Full Marks: 70**

Part-A (Objective) =20  
Part-B (Descriptive) =50

**(PART-B: Descriptive)**

**Duration: 2 hrs. 40 mins.**

**Marks: 50**

**Answer any four from Question no. 2 to 8**  
**Question no. 1 is compulsory.**

1. What is price? Explain the competition oriented methods of pricing. (2+8=10)
2. What is transfer pricing? Explain its significance in an enterprise. (3+7=10)
3. What is selling cost? Explain some of the methods of advertising outlays. (3+7=10)
4. What is dumping? Explain how elasticity of demand is related to dumping. (3+7=10)
5. Explain the concept of fixed and variable factor of production. Explain the law of variable proportion. (2+8=10)
6. Explain the term opportunity cost. Explain with a help diagram the derivation of long-run average cost curve. (2+8=10)
7. Define the term market. Explain the how equilibrium is determined in monopolistic market situation. (2+8=10)
8. The sales records of an industry reveal the following: (10)

Year	2000	2003	2006	2009	2012	2015
Sale (Rs crores)	30	40	45	50	48	57

Estimate the sales for the year 2018 and 2021, with the help of the normal equations,

$$\sum y = Na + \sum x$$

$$\sum xy = a \sum x + b \sum x^2$$

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Year	2015	2016	2017	2018	2019	2020	2021
Sales (in lakhs)	10	12	15	18	20	22	25

**MASTER OF BUSINESS ADMINISTRATION**  
**First Semester (Repeat)**  
**MANAGERIAL ECONOMICS**  
**(MBA - 103)**

**Duration: 20 minutes**

**Marks – 20**

**(PART A - Objective Type)**

**I. Choose the correct answer:**

**1×20=20**

1. In which one of the following market situation are the firms mutually interdependent in pricing and output decisions?
  - a. Oligopoly
  - b. Monopsony
  - c. Monopoly
  - d. Monopolistic
2. The upper segment of the kinked demand curve is:
  - a. Inelastic
  - b. Highly elastic
  - c. Elasticity equal to unity
  - d. None of the above
3. Which of the following is related to the exceptional case of law of demand?
  - a. Diamond –water paradox
  - b. Giffen goods
  - c. Economic abnormalities
  - d. All the above
4. The cost that changes with output is:
  - a. Fixed cost
  - b. Marginal cost
  - c. Variable cost
  - d. Average cost
5. The long run average cost curve is related to:
  - a. Decreasing return to scale
  - b. Increasing return to scale
  - c. Constant return to scale
  - d. All above
6. Which of the following are the limiting factors of profit?
  - a. Job security
  - b. Financial security
  - c. Reputation
  - d. All the above
7. Advertising as per its limit of cash resource is:
  - a. Objective and task method
  - b. Competitive-parity approach
  - c. All you can afford approach
  - d. Return on Investment approach
8. Charging lower price for the popular product of the firm compared to other products of the same firm is called:
  - a. Trade association pricing
  - b. Customary pricing
  - c. Loss leader
  - d. Programme pricing
9. When more and more of a factor is substituted for the other the Marginal rate of substitution:
  - a. Increased
  - b. Decrease
  - c. Diminishes
  - d. No change
10.  $MC=MR$  is the
  - a. Sufficient condition for equilibrium.
  - b. Necessary condition for equilibrium.
  - c. Is the only condition for equilibrium.
  - d. Is not a condition for equilibrium.
11. In the third stage of law of variable proportion marginal product is:
  - a. Positive
  - b. Equal to AP
  - c. Equal to TP
  - d. Negative
12. Dynamic-surplus theory of profit is propounded by:
  - a. Schumpeter
  - b. Marshall
  - c. Clark
  - d. Knight
13. When the producer charges different price from different places for the same product it is:
  - a. Personal price discrimination.
  - b. Local price discrimination.
  - c. Price discrimination on uses of the product.
  - d. It's not a case of price discrimination.
14. Producer charges higher price in the home market than the international market when the home market is:
  - a. Perfect competition
  - b. Oligopoly
  - c. Monopoly
  - d. Monopolistic



**University of Science and Technology, Meghalaya**

Date Stamp: \_\_\_\_\_

15. Equilibrium price is the price at which:
- Quantity demanded exceeds quantity supplied.
  - Quantity demanded equals quantity supplied.
  - Quantity supplied exceeds quantity demanded.
  - None of these.
16. When the leader firm is considered to have a good knowledge about the prevailing market and have a better forecasting capacity is:
- Price leadership by cost
  - Price leadership by large profit
  - Barometric price leadership
  - Quota system of sharing the market
17. If total customer expenditure on a good falls as its price falls this indicate that:
- $E_p < 1$
  - $E_p > 1$
  - $E_p = 1$
  - $E_p = \infty$
18. Which of the following is correct regarding long run average cost?
- It is least cost of producing each level of output.
  - LAC curve is envelope of SAC curves.
  - LAC is U-shape.
  - All the above are correct.
19. For substitute goods the cross elasticity is:
- Negative.
  - Positive.
  - It can be both positive or negative depending on the market condition.
  - It is neither positive nor negative.
20. In the second stage of the law of variable proportion:
- MP diminishes and AP increases.
  - AP diminishes and MP increases.
  - Both AP and MP diminishes.
  - Both AP and MP increases.

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<b>SESSION 2016-17</b>			
COURSE _____ PAPER CODE: _____			
NAME OF THE PAPER: _____			
SEMESTER _____			
<b>Instructions to Candidates</b>			
<ol style="list-style-type: none"> <li>This answer booklet has 4 pages. Please check before writing whether it is complete or in good condition.</li> <li>Do not write your name anywhere in the answer booklet.</li> <li>Write legibly on both sides of the paper</li> <li>You may use some space for any rough notes or calculation on the answer booklet if you need. These rough notes, calculations must be scored out before submitting the answer booklet.</li> <li>Do not bring any book or loose paper in the examination hall.</li> <li>Do not tear any page from the answer booklet.</li> <li>Do not write anything on the question paper or blotting paper or any pieces of paper while you are in the examination hall.</li> <li>Any act of indiscipline or misbehavior in the examination hall will result in your expulsion.</li> <li>No examinee is allowed to leave the examination hall until 30 minutes lapse after the commencement of the examination.</li> <li>Additional answer sheet will be supplied after the main answer booklet is completed.</li> </ol>	<b>For Objective Type Questions</b>	Session: 2016-17	
	Page No.	Marks	Course _____
			Roll No. _____
			Enrollment No. _____
			Semester _____
			Name of the Paper _____
			_____
			_____
	Total		Paper Code _____
		<b>For Descriptive Type Questions</b>	
	Question No.	Marks	
Total			
Grand Total			

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