

**MASTER OF BUSINESS ADMINISTRATION
FIRST SEMESTER [SPECIAL REPEAT]
MANAGERIAL ECONOMICS
MBA – 107**

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

1. Labour is hireable but you cannot hire
 - a. Capital
 - b. Land
 - c. Manager
 - d. Entrepreneur
2. Land means:
 - a. Sea
 - b. Surface of earth
 - c. Natural forests
 - d. All natural resources
3. Economic development of a country requires:
 - a. Skilled labour
 - b. Diplomacy
 - c. Abundant natural resources
 - d. (a) and (c) of above
4. Which of the following input factor takes risk innovates and coordinates:
 - a. Capital
 - b. Entrepreneur
 - c. Labour
 - d. Productivity
5. Which of the following is not a type of market structure?
 - a. Competitive monopoly
 - b. Oligopoly
 - c. Perfect competition
 - d. All of the above are types of market structures
6. Oligopoly is the market structure in which there are:
 - a. Many sellers and many buyers
 - b. One seller and many buyers
 - c. Few sellers and many buyers
 - d. None of these
7. To introduce the new products to world of consumers is the main goal of
 - a. Entertainment
 - b. Advertising
 - c. Boost the sales
 - d. Online marketing
8. Advertising creates employment as it increases the volume of sales and
 - a. Production
 - b. Marketing
 - c. Promotion
 - d. Personal selling
9. Catalogues, magazines, newspaper and invitations to organization-sponsored events are associated with the marketing mix activity of _
 - a. Manufacture
 - b. Production
 - c. Promotion
 - d. Development

10. Consumer get maximum variety of goods under:
 - a. Perfect competition
 - b. Monopolistic competition
 - c. Monopoly
 - d. Pure competition
11. Which of the following is an example of complementary good?
 - a. Tea and coffee
 - b. Coke and Pepsi
 - c. Rice and Wheat
 - d. None of these
12. Expansion of demand occurs due to:
 - a. Rise in price of the given commodity
 - b. Fall in price of the given commodity
 - c. Rise in price of the substitute goods
 - d. Fall in price of the complementary goods
13. The horizontal demand curve parallel to x-axis implies that the elasticity of demand is:
 - a. Zero
 - b. Infinite
 - c. Equal to one
 - d. Greater than zero but less than infinity
14. An individual demand curve slopes downward to the right because of the:
 - a. Working of the law of diminishing marginal utility
 - b. Substitution effect of decrease in price
 - c. income effect of fall in Price
 - d. All of the above
15. All the supply curves, which pass through the origin are:
 - a. Highly elastic
 - b. Unitary elastic
 - c. Perfectly inelastic
 - d. Less elastic
16. In the short run, when the output of a firm increases, its average fixed cost:
 - a. Remains constant
 - b. Decreases
 - c. Increases
 - d. First decreases and then rises
17. "Salary of Permanent staff" is which type of cost?
 - a. Variable and implicit cost
 - b. Fixed and implicit cost
 - c. Fixed and explicit cost
 - d. Variable and explicit cost
18. In which of the following market structure is the degree of control over the price of its product by a firm very large?
 - a. Imperfect competition
 - b. Perfect competition
 - c. Monopoly
 - d. In A and B both
19. Product per unit labour employed is termed as:
 - a. Average product
 - b. Marginal product
 - c. Total Product
 - d. None of these
20. The Marginal Product of a Labour is
 - a. The ratio of out put to the number of worker used to produced that out put.
 - b. The changed in total product resulting from an extra unit of labour ,holding to her other factor constant.
 - c. Equal the marginal product of labour when the average product is increasing.
 - d. The amount of out put that can be produced by a given amount of labour.

(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

1. a) Why demand curve slopes downwards? Explain. 6+4=10
b) What are the main determinants of individual Supply?
2. a) Explain Iso-quant curve with diagram. 6+4=10
b) What are the reasons of increasing returns to a factor?
3. a) What do you mean perfectly competitive market? Explain its features. 6+4=10
b) What are the causes of emergence of monopoly market?
4. a) Explain profit maximisation condition through TC and TR approach. 4+6=10
b) Explain the role of Advertisement in modern business.
5. Explain Law of variable proportion with its different stages. 10
6. a) Explain importance of elasticity of demand. 4+6=10
b) A consumer buys 160 units of a good at a price of Rs.8 per unit. Price falls to Rs.6 per unit. How much quantity will the consumer buy at the new price, if the price elasticity of demand is (-) 2.
7. a) Explain the relationship between TC, TFC and TVC. 6+4=10
b) Calculate TFC, TVC, AC, AFC, AVC and MC from the following table,

Output (units)	0	1	2	3	4	5	6
TC(Rs)	70	90	110	121	126	140	160

8. a) Explain the different features of Monopolistic market. 4+6=10
b) What are the different degrees of price discrimination?

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