2008-09

Time : 3 hours

Full Marks : 80

Candidates are required to give their answers in their own words as far as practicable.

The figures in the margin indicate full marks.

Answer from both the Groups as directed.

Group – A

(Compulsory)

Answer all questions : 2×10 = 20

1. Select the correct answer of the following :

(a) The law of demand states that when :

(i) Income rises, demand rises

(ii) Price rises, demand rises

(iii) Price falls, demand rises

(iv) Income and price rise, demand rises

EL – 22/1 (Turn over)
(b) Demand can be defined as:
   (i) Desire to buy
   (ii) Willingness to buy
   (iii) Ability to buy
   (iv) Desire and willingness to buy backed by adequate purchasing power

(c) TU is maximum when MU is:
   (i) Zero  (ii) Infinite
   (iii) Negative (iv) Maximum

(d) An indifference curve represents:
   (i) Two commodities
   (ii) Four commodities
   (iii) One commodity
   (iv) All of the above

(e) Law of Diminishing return was propounded by:
   (i) Adam Smith  (ii) Marshall
   (iii) Ricardo  (iv) J. S. Mill

(f) The mass production generally refers to:
   (i) Large scale production
   (ii) Low production
(iii) Machine made production  
(iv) None of these  

(g) Inflation is that situation in which general price level:  
(i) Rises  
(ii) Falls  
(iii) Is same  
(iv) None of these  

(h) Average profit is equal to:  
(i) AC – TC  
(ii) AC – VC  
(iii) AR – AC  
(iv) AC + AR  

(i) A situation in which the number of competing firm is relatively small is known as:  
(i) Monopoly  
(ii) Duopoly  
(iii) Monoposomy  
(iv) Oligopoly  

(j) The want satisfying power of a commodity is known as:  
(i) Demand  
(ii) Supply  
(iii) Consumption  
(iv) Utility  

**Group – B**  
*(Long Type Questions)*  

Answer any four questions.  

2. Define Managerial Economics and discuss, in brief, its nature and scope.  

**EL – 22/1 (3) (Turn over)**
3. Explain law of demand. Why does the demand curve slope downwards? 15

4. Explain the concept of utility and types of utilities. 15

5. What do you understand by indifference curve? Explain its advantages. 15

6. What do you understand by production function? Explain factors affecting production functions. 15

7. Explain economies and diseconomies of scale in detail. 15

8. Explain concept of Break-even-analyses, its usage and limitations. 15

9. Explain the concept of Business Cycle. 15

10. Explain price and output determination under perfect competition. 15