2012

Time: 3 hours

Full Marks: 80

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

The questions are of equal value.

Answer any four questions in which

Q. No. 1 is compulsory.

1. Choose the correct option from the following:
   (a) The profit (P) at that level would be:
       (i) \( P = TC - TR \)
       (ii) \( P = TR \cdot TC \)
       (iii) \( P = TR - TC \)
       (iv) None of the above
       where \( TR = \) Total Revenue ; \( TC = \) Total Cost
   (b) Which one of the following is the determinant of demand?
       (i) Price of the Commodity
       (ii) Taste and Preferences

AP – 4/2 (Turn over)
(iii) Both (i) and (ii)
(iv) None of the above

(c) The correct formula of marginal revenue is:

(i) \( MR_n = \frac{TR}{Q} \)

(ii) \( MR_n = \frac{d(TR)}{dQ} \)

(iii) \( MR_n = TR \times Q \)

(iv) None of the above

(d) Which one of the following is the correct reason for demand curve slope downwards?

(i) The law of diminishing

(ii) Income effect

(iii) Substitution effect

(iv) All of the above

(v) None of the above

(e) Indifference curves are of the following shapes:

(i) U-shape

(ii) Upward sloping

(iii) Horizontal Straight Line

(iv) Smooth Downward Sloping

AP – 4/2 (2) Contd.
(f) Long run AC curve is also known as:
   (i) Plant Curve
   (ii) Envelope Curve
   (iii) System Curve
   (iv) Optimum Curve

(g) The concept of indifference curve has been given by the __________.
   (i) Marshall and Ricardo
   (ii) Adam Smith and Hicks
   (iii) R. G. D. Allan and Keynes
   (iv) Hicks and Allan

(h) The cost incurred at the time of setting up a plant is known as __________.
   (i) Replacement Cost
   (ii) Historical Cost
   (iii) Abandonment Cost
   (iv) Fixed Cost

(i) The change in the consumption pattern of the consumer due to the change in the relative price alone is measured by:
   (i) Income Effect
   (ii) Price Effect

AP - 4/2 (3) (Turn over)
(iii) Substitution Effect
(iv) None of the above
(j) Macro economics deals with the:
(i) Study of individual behaviour
(ii) Study of aggregate
(iii) Study of individual and aggregate both
(iv) None of the above

2. What is indifference curve? Discuss its properties and various effects.


4. How price is determined in perfectly competitive market?

5. Write note on Sweez’s Kinked Demand Model of Oligopoly.

6. What is National Income? How it is measured? Also discuss the limitation in measuring it.

7. What is break-even analysis? Discuss it’s significance and limitation.

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AP – 4/2 (100) (4) MGT / S-1 / IV / 12 (104)