2013

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:

   (i) A monopolist faces:

   (a) An upward sloping demand curve
   (b) A perfectly elastic demand curve
   (c) A downward sloping demand curve
   (d) None of them

   (ii) NNP equals:

   (a) GNP adjusted for inflation
   (b) GDP adjusted for inflation
(c) GDP plus property income abroad
(d) GNP minus Depreciation

(iii) Managerial economics deals with:
(a) Public sector
(b) Private sector
(c) Both (a) and (b)
(d) None of them

(iv) On which approach indifference curve is based?
(a) Cardinal utility
(b) Ordinal utility
(c) Both (a) and (b)
(d) None of them

(v) In the long term a firm will produce, provided the revenue covers:
(a) Fixed costs
(b) Variable costs
(c) Total costs
(d) Sales

SA – 4/3 (2) Contd.
(vi) The firms earn normal profit:
(a) They will aim to leave the industry
(b) Other firms will join the industry
(c) The total revenue equals total costs
(d) No profit is made in accounting terms

(vii) To adjust from GNP to NNP:
(a) Deduct indirect expenses
(b) Deduct depreciation
(c) Deduct subsidies
(d) Add inflation

(viii) A perfectly competitive market will be in equilibrium where:
(a) MC = MR
(b) MC = MR = AC
(c) MC = AC = MR = AR
(d) None of them

(ix) The MR curve in Monopoly:
(a) Equals the demand curve
(b) Is parallel with demand curve
(c) Lies below and converges with the demand curve
(d) Lies below and diverges from the demand curve
(x) Profits per sale is a measure of:
   (a) Cash flow
   (b) Profitability
   (c) Feasibility
   (d) Liquidity

2. Define managerial economics. What are the different types of business decisions involved in managerial economics.

3. What is demand? Discuss its nature and reasons of the law of demand.


5. Distinguish between perfect and imperfect market. What are the factors which make a market imperfect?

SA - 4/3 (4) Contd.
6. How price is determined in monopolistic competition? Discuss with examples and graphs.

7. Write short notes on the following:
   (i) Indifference Curve
   (ii) Types of Cost
   (iii) National Income
   (iv) Break-even Analysis