



MAHARISHI UNIVERSITY OF MANAGEMENT AND TECHNOLOGY

MAHARISHI ROAD, MANGLA, BILASPUR (CHHATTISGHAR)-495001

FINAL EXAM : SEMESTER-I, SESSION 2021-22

COURSE – MBA, PAPER – II, SUBJECT CODE – MBA102 SUBJECT – MANAGERIAL ECONOMICS

Max Marks : 70

Min pass marks : 28

Que 1 Multiple choice : Read the following questions carefully and choose the suitable answer: (10X1=10)

(i) The Relationship between Price and Demand is:-

- A. Direct
- B. Inverse
- C. Proportionate
- D. Positive

(ii) A product that is similar to another, and can be consumed in place of it, is called:

- A. A normal good
- B. An inferior good
- C. A complementary good
- D. A substitute good

(iii) Select the group that best represent the basic factors of production

- A. Land, lab our, Capital, Entrepreneurship
- B. Land, lab our, Money, Managerially Skills
- C. Land, Natural resources Lab our, Capital
- D. Land, lab our, Capital, Technology

(iv) In Short period, a Firm can continue to produce even if it is incurring losses if it can meet its:

- A. Average Fixed Cost (AFC)
- B. Average Variable Cost (AVC)
- C. Average Fixed Cost and Average Variable Cost Both (AFC+AVC) both
- D. None of the above two costs

(v) A market situation where there are large number of buyers and sellers for the product is called:

- A. Monopoly
- B. Oligopoly
- C. Perfect
- D. Duopoly

(vi) Which of the following cannot be classed as a Market Structure?

- A. Oligopoly
- B. Perfect Competition
- C. Communism
- D. None of the above

(vii) Fiscal Policy refers to:-

- A. The action of central bank in controlling the money supply
- B. The government's attitude to taxation
- C. The government's regulations of financial intermediaries
- D. The spending and taxing policies used by the government to influence the economy

(viii) Total Monetary Value of goods and services produced in a year is called:-

- A. Gross Domestic Product
- B. Net Domestic Product
- C. National Income
- D. Personal Income

(ix) National Income at market price and factor cost are equal when;

- A. Economic Subsidy is zero
- B. Indirect Tax is Zero

- C. Economic Subsidy and Indirect Taxes are equal
- D. Profit is Zero

(x) Inflation is measured with the help of:-

- A. Consumer Price Index
- B. National Income Estimates
- C. Demand Pull Inflation
- D. Cost Push Inflation

Que 2 Short Answer (Any Five)

5X4=20

- (a) Explain the nature and scope of Managerial Economics?
- (b) Define Demand? What are the functions of demand? Explain
- (c) Explain the Income Elasticity of Demand.
- (d) Define Production and discuss what the factors of Production are.
- (e) Give the difference between Perfect Competition and Imperfect Competition.
- (f) Define National Income. Explain the circular flow of National Income.
- (g) Define Inflation. Explain the various types of Inflation.

Que 3 Long Answer (Any Five) –

8X5=40

- (a) Define Managerial Economics and explain its scope in the context of the present day business environment.
- (b) Define Demand Forecasting? Discuss the various techniques of Demand Forecasting?
- (c) Why does a demand curve slope downward to the right? Can a demand curve slope upward to the right under any condition?
- (d) What is a Production Function? Distinguish between short-run and long-run Production Functions.
- (e) What do you understand by Cost? Explain short-run and long-run cost curves.
- (f) Define Oligopoly. Explain how price and output decisions are taken under conditions of Oligopoly.
- (g) Why is a Firm under Perfect Competition a “Price –Taker” and not a “Price – Maker”?
- (h) Write Short Note on –
 - a) Measurement of National Income
 - b) Monetary Policy
 - c) Sales Maximization
- (j) What are the objectives of Fiscal Policy? Give its instruments and its effectiveness in developing nations.
- (k) What is Gross Domestic –Capital formation? Explain the reasons for low gross domestic capital formation in developing especially in India.
