



**WEST BENGAL STATE UNIVERSITY**  
BBA Honours 3rd Semester Examination, 2020, held in 2021

**BBAHGEC03T-BBA (GE3)**

**MANAGERIAL ECONOMICS**

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate full marks.  
Candidates should answer in their own words and adhere to the word limit as practicable.  
All symbols are of usual significance.*

1. Answer any **five** questions from the following: 2×5 = 10
- (a) What are the basic problems of an economy?
  - (b) Write two exceptions of Law of Demand.
  - (c) Define Cross Price Elasticity of Demand.
  - (d) Explain the concept of Marginal Utility.
  - (e) Give the Definition of Engel Curve.
  - (f) State the Law of Variable Proportions.
  - (g) What is called Increasing Returns to Scale in Production?
  - (h) What is the shape of Average Fixed Cost Curve?
  - (i) Explain the concept of Break Even Point.
  - (j) What is called Monopoly Power?
  - (k) Define Oligopoly.
  - (l) What is called Economies of Scale?
  - (m) What is the difference between Real GNP and Nominal GNP?
  - (n) What do you mean by Marginal Propensity to Save?
  - (o) Define Marginal Efficiency of Capital.
2. Answer any **four** questions from the following: 5×4 = 20
- (a) Distinguish between Microeconomics, Macroeconomics and Managerial Economics.
  - (b) Why does a demand curve have negative slope?
  - (c) Show that the Indifference Curve is convex to the origin.
  - (d) Establish the relationship between Average Revenue, Marginal Revenue and Price Elasticity of Demand.
  - (e) Deduce the relationship between Marginal Product and Marginal Cost.
  - (f) Define Isoquant and discuss its characteristics.

- (g) Discuss the shape of Short Run Supply Curve of a Perfectly Competitive Firm.
- (h) When the Price Discrimination is possible and when it is profitable?
- (i) Explain the Circular Flow of Income of a nation with diagram.
- (j) Discuss briefly about the difficulties in measuring National Income.
- (k) Deduce different phases of Business Cycle.
- (l) Show that size of the Multiplier depends on Marginal Propensity to Consume.

3. Answer any *two* questions from the following: 10×2 = 20
- (a) What is Substitution Effect in Consumer Behaviour Theory? Show that for a Normal Good Total Price Effect can be divided into Substitution Effect and Income Effect. 3+7
  - (b) In a Production Function with one variable input show the different stages of Production and explain the underlying reasons. 10
  - (c) Deduce the Long Run Average Cost Curve (LRAC) from the Short Run Average Cost Curves (SRAC) of a firm. Why LRAC is known as the envelope of SRACs? 7+3
  - (d) Indicate the features of Monopolistic Competition. Analyse the Short Run Equilibrium in this market. 4+6
  - (e) How can Sales be maximized? Explain with the help of a suitable diagram. 10
  - (f) What are the three different approaches to measure the National Income of an economy? Discuss briefly. 10

**N.B. :** *Students have to complete submission of their Answer Scripts through E-mail / Whatsapp to their own respective colleges on the same day / date of examination within 1 hour after end of exam. University / College authorities will not be held responsible for wrong submission (at in proper address). Students are strongly advised not to submit multiple copies of the same answer script.*

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