



‘समानो मन्त्रः समितिः समानी’

UNIVERSITY OF NORTH BENGAL

BBA Honours 1st Semester Examination, 2023

GE1-BBA (104)

MANAGERIAL ECONOMICS

Time Allotted: 2 Hours

Full Marks: 60

The figures in the margin indicate full marks.

GROUP-A

Answer any *two* questions from the following

12×2 = 24

1. State the law of demand. Explain the events that collectively make the law of demand to operate. Also, state the exceptions to the law of demand.
2. Explain the various features of a Perfectly Competitive market. Explain the conditions necessary for short-run and long-run equilibrium in a perfectly competitive market.
3. How can production function be used for managerial decisions? Also explain law of return to scale. 8+4
4. (a) Explain with appropriate examples the main characteristics of an oligopolistic market.
(b) Explain Sweezy's kinked demand curve model of oligopoly. How does it explain price rigidity under an oligopoly?

GROUP-B

5. Answer any *four* questions from the following: 6×4 = 24
 - (a) Is it true that a monopolist always earns super profits in the long-run? Explain. 6
 - (b) Based on the concepts of Budget Line and Indifference Curves explain the equilibrium of a consumer.
 - (c) Deduce the relationship between AR, MR, and Price Elasticity of Demand.
 - (d) Given the total cost function $C = 15Q - 6Q^2 + Q^3$, derive the equations of AC and MC curves. Find the output level at which AC is minimum. Show that MC is equal to AC at the minimum level of AC. 2+2+2
 - (e) Given in the short run a firm can increase production by increasing the quantity of labour. Using the rule of economics, narrate how much labour a firm should hire?
 - (f) Narrate the application of cross-elasticity of demand in managerial decision-making.

GROUP-C

6. Answer any *four* questions from the following: 3×4 = 12
 - (a) What is Quasi Rent?
 - (b) When the shape of an Indifference Curve can be a straight line?
 - (c) Write a note on Collusive Oligopoly.
 - (d) Given the demand function $Q = 150 - 5P$, where P is the price. Find the elasticity of demand at $P = 4$.
 - (e) What is the Marginal Rate of Substitution (MRS)?
 - (f) If $e_1 > e_2$, then show that $P_1 < P_2$ in price-discriminating monopoly.

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