

2018
MBA
MBA 1.5
MANAGERIAL ECONOMICS

Full Marks: 70

Time: 3 hours.

The figures in the margin indicates full marks for the questions

SECTION A

Answer any five from the following questions:

2x5=10

1. What is Managerial Economics?
2. What are the main types of data used in regression?
3. What is the difference between Consumption and Production?
4. What is Stagflation?
5. What is Explicit and Implicit Cost? 1+1
6. What is Normal Profit?
7. Assuming an economy with no government and no foreign trade.

Calculate GDP for the following output scenario:

There are three firms: firm A is a mining company, firm B is a steel producer and firm C is a car manufacturer. In a specific year firm A sells Rs. 100 million worth of iron ore to firm B, firm B sells Rs. 200 million worth of steel to firm C and firm C sells Rs. 500 million worth of cars to general public. If there are no changes in inventories, no taxes and no other producers in the economy, what is the GDP?

Or

If the price of certain goods falls from 20/- to 10/-, that causes increase in the demand from 43 units to 75 units. Calculate the price elasticity of demand.

SECTION B

Answer any five from the following questions: 4x5=20

1. Mention the nature of Managerial Economics.
2. What is Unit or unitary Elasticity of Demand? Explain with a diagram and example.
3. How does an economy move from recovery phase to expansion phase?
4. Explain Harrod-Domar Growth Model with the help of a diagram.
5. Mention the elements of Production Cost.

Or

Elaborate the concept of Cobb Douglas Production Function.

6. What are the categories of strategic behaviour?
7. What is the distinction between accountant's and economist's view about Profit?

Or

Consider an economy that produces only three types of fruit: apples, oranges & bananas.

In the base year the production & price data are as follows:

Fruit	Quantity	Price
Apples	3000 units	Rs. 2/unit
Bananas	6000 units	Rs. 3/unit
oranges	8000 units	Rs. 4/unit

In the current year the production & price data are as follows:

Fruit	Quantity	Price
Apples	4000 units	Rs. 3/unit
Bananas	1400 units	Rs.2/unit
Oranges	3200 units	Rs. 5/unit

Find nominal GDP in the current year & in the base year.

SECTION C

Answer any five from the following questions: 8x5=40

1. Elaborate the different types of Demand.
2. Elaborate the methods of production or creation of Utility.
3. Discuss the measures to control inflation.
4. Elaborate the Opportunity Cost Principle.

Or

Explain the concept of Monopoly with the help of a diagram.

5. Explain elaborately the concept of Prisoner's Dilemma.
6. Describe the different types of Revenue Curves with the help of the diagram.
7. The following table gives the soil temperature and the germination time at various places. Calculate the co-efficient of correlation and interpret the value

Temperature	57	42	40	38	42	45	42	44	40	46	44	43
Germination time	10	26	30	41	29	27	27	19	18	19	31	29

Or

Given the bivariate data:

4+4

X	2	6	4	3	2	2	8	4
Y	7	2	1	1	2	3	2	6

- (a) Fit the regression line of Y on X and hence predict Y, if X=20
- (b) Fit the regression line X on Y and hence predict X, if Y=5
