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NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA

SEM: II - CARRY OVER THEORY EXAMINATION - JUNE 2023

Subject: Managerial Economics

Time: 3 Hours

Max. Marks: 100

General Instructions:

IMP: Verify that you have received the question paper with the correct course, code, branch etc.

1. This Question paper comprises of **three Sections -A, B, & C.** It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.

2. Maximum marks for each question are indicated on right -hand side of each question.

3. Illustrate your answers with neat sketches wherever necessary.

4. Assume suitable data if necessary.

5. Preferably, write the answers in sequential order.

6. No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.

SECTION A

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1. Attempt all parts:-

- 1-a. The total demand for goods and services in an economy is known as (CO1) 1
- (a) National demand
- (b) Economy-wide demand
- (c) Gross national product
- (d) Aggregate demand.
- 1-b. In the long run all input become _____ (CO1) 1
- (a) Fixed
- (b) Variable
- (c) Semi variable
- (d) None of these
- 1-c. When the quantity demanded falls due to a rise in price, it is called (CO2) 1
- (a) Extension
- (b) Downward shift
- (c) Contraction

- (d) None of these
- 1-d. In _____ approach, on the basis of the growth of an established product, the demand for the new product is estimated (CO2) 1
- (a) Growth curve approach
 - (b) Evolutionary approach.
 - (c) Opinion polling approach
 - (d) None of these
- 1-e. Cost that does not affect a decision is called an (CO3) 1
- (a) Opportunity cost
 - (b) Incremental cost
 - (c) Avoidable cost
 - (d) Irrelevant cost
- 1-f. An Opportunity cost is (CO3) 1
- (a) The cost of giving up an alternative
 - (b) The cost of a chosen alternative
 - (c) Calculated by subtracting the monetary cost
 - (d) None of the above
- 1-g. Which describes a barrier to entry? (CO4) 1
- (a) Anything that protects a firm from the arrival of new competitors
 - (b) A government regulation that bars a monopoly from earning an economic profit
 - (c) Something that establishes a barrier to expanding output
 - (d) Firms already in the market incurring economic losses so that no new firm wants to enter the market
- 1-h. A characteristic of monopolistic competition is (CO4) 1
- (a) Low ratio of fixed to variable costs.
 - (b) High capital-output ratio.
 - (c) Product differentiation.
 - (d) The absence of advertising.
- 1-i. Game theory is (CO5) 1
- (a) A general theory of strategic behaviour
 - (b) The economic theory underlying competition between perfectly competitive firms

- (c) A study how monopolistically competitive firms behave in situations
- (d) All of the above

1-j.	Sales maximisation model was given by (CO5)	1
	(a) Williamson	
	(b) Baumol	
	(c) Cyert	
	(d) March	

2. Attempt all parts:-

2.a.	Define total utility. (CO1)	2
2.b.	Distinguish between demand and supply. (CO2)	2
2.c.	Differentiate between return to factors and return to scale. (CO3)	2
2.d.	Distinguish between monopoly and perfect competition. (CO4)	2
2.e.	Define minmax strategy. (CO5)	2

SECTION B

30

3. Answer any five of the following:-

3-a.	Demonstrate the scope of managerial economics. (CO1)	6
3-b.	Define indifference curve. Explain properties of indifference curve. (CO1)	6
3-c.	Explain various types of demand with suitable examples. (CO2)	6
3-d.	Distinguish between law of demand and law of supply. (CO2)	6
3.e.	Discuss factors of production with relevant examples. (CO3)	6
3-f.	Explain demand curve in monopoly market structure. (CO4)	6
3.g.	Analyze concept of prisoner's dilemma. (CO5)	6

SECTION C

50

4. Answer any one of the following:-

4-a.	Economics is a science or an art. Discuss. (CO1)	10
4-b.	Describe the practical significance of managerial economics. (CO1)	10

5. Answer any one of the following:-

5-a.	Explain demand forecasting. Discuss the objectives of demand forecasting with examples. (CO2)	10
5-b.	Define the term "demand" and discuss the factors affecting the demand of a particular product / service. (CO2)	10

6. Answer any one of the following:-

- 6-a. Evaluate the law of variable proportions with the help of total and marginal product curve. (CO3) 10
- 6-b. Explain the relationship between total cost, total variable cost and total fixed cost with the help of hypothetical schedule and diagram. (CO3) 10

7. Answer any one of the following:-

- 7-a. Briefly explain about perfect competition. Graphically show the equilibrium of a firm under perfect competition in the short run. (CO4) 10
- 7-b. Write down the means that can be adopted by the firms for non-price competition. (CO4) 10

8. Answer any one of the following:-

- 8-a. Critically evaluate the situation of Nash Equilibrium. (CO5) 10
- 8-b. Evaluate the concept of mixed strategy with reference to game theory. (CO5) 10