BRAINWARE UNIVERSITY

Term End Examination 2018 - 19

Programme– Master of Business Administration

Course Name – Managerial (Micro) Economics

Course Code –MBAD010401

(Semester – 1)

Time allotted:3 Hours   **Full Marks : 70**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group –A

(Multiple Choice Type Question)   10 x 1 = 10

1. *Choose the correct alternative from the following*
(i)   The demand curve is a

    a. positively sloped   b. parabolic

    c. linear   d. negatively sloped

(ii)   The Long Run Average Cost Curve is known as

    a. envelope curve   b. fluctuating curve

    c. all variable curve   d. None of these

(iii)   The Normal curve obeys the law of

    a. Constant Returns   b. Symmetry

    c. Variable Proportion   d. None of these

(iv)   The slope of the budget line is called

    a. wage rental ratio   b. price ratio

    c. raw material   d. none of these

(v)   MRS is the full form of

    a. Marginal propensity to consume   b. Marginal rate of Technical Substitution

    c. Marginal Ratio of Transformation   d. marginal rate of substitution

(vi)   The profit maximizing condition for a monopotent is

      a. MR=MC   b. MR>MC

      c. MR<MC   d. TR=TC

(vii)   An example of Cooperative Duopoly is

      a. Tata Sky   b. CESC (Calcutta Electric Supply Corporation

      c. Indian Railway   d. Coco Cola Pepsi

(viii) The Total product curve obeys the law of

      a. Constant Returns   b. Symmetry

      c. Variable Proportion   d. None of these

(ix)   MRTS is the full form of

      a. Marginal propensity to consume   b. Marginal rate of Technical Substitution

      c. Marginal Ratio of Transformation   d. marginal rate of substitution

(x)   If the marginal propensity to consume is .72 then the marginal propensity to save is

      a. 3.8   b. .28

      c. .35   d. .36

Group – B

(Short Answer Type Questions)   3 x5 = 15

Answer any *three* from the following

2. What do you understand by market equilibrium?   5
3. State the properties of Indifference Curves.   5
4. What do you understand by MRTS?   5
5. What are the factors that affect the demand of a commodity?   5
6. State the objective of the producer.   5

Group – C

(Long Answer Type Questions)   3x 15 = 45

Answer any *three* from the following

7. (a) "Imperfect or Incomplete Information creates dilemma or indecision in a player's mind". Discuss. With the help of a payoff matrix show how this Dilemma finds its practical application in Oligopolistic market of Non Cooperative Game.   8

    (b) What are the sources of Monopoly?

                                                            7

8.	(a)	Differentiate between Cooperative and Non Cooperative Game.	8
	(b)	Write a note on Prisoner's Dilemma.	7
9.	(a)	Diagrammatically explain the Cost Curves	5
	(b)	Derive the Long run average cost curve from the short run cost curves.	5
	(c)	Explain the Consumers' equilibrium.	5
10.	(a)	Diagrammatically explain the Returns to Scale.	5
	(b)	State the law of Variable Proportion.	5
	(c)	Explain the Producers' equilibrium.	5
11.	(a)	What is price discrimination?	5
	(b)	State and explain with suitable examples of second and third degree discrimination in monopoly model.	10