



BRAINWARE UNIVERSITY

Term End Examination 2023
Programme – BBA-2019/BBA-2021
Course Name – Managerial Economics
Course Code - BBAC201
(Semester II)

Library
Brainware University
398, Ramkrishnapur Road, Barasat
Kolkata, West Bengal-700125

Full Marks : 60

Time : 2:30 Hours

[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)

1 x 15=15

1. Choose the correct alternative from the following :

- (i) The average product of labor is inferred as
- a) the additional labor required to produce one more unit of output.
 - b) marginal product when average product is at a minimum.
 - c) the additional output produced by hiring one more unit of labor.
 - d) the slope of a ray drawn from the origin to a point on the total product curve.
- (ii) Average total cost is explained as
- a) the cost of a typical unit of output, if total cost is divided evenly over all the units produced.
 - b) the cost of the last unit of output, if total cost does not include a fixed cost component
 - c) the variable cost of a firm that is producing at least one unit of output
 - d) the total cost of the first unit of output, if total cost is divided evenly over all the units produced.
- (iii) If the market demand curve for a commodity has a negative slope then the market structure is expressed as
- a) Perfect competition.
 - b) Monopoly.
 - c) imperfect competition.
 - d) The market structure cannot be determined from the information given.
- (iv) Perfect competition is expressed as a market where there are many firms each selling
- a) a similar product
 - b) a competitive product.
 - c) an identical product
 - d) a unique product
- (v) Consumer surplus is expressed as
- a) Revenue received for a good minus that good's cost of production.
 - b) The amount of money a consumer is willing to pay for a good
 - c) The opportunity cost of a good.
 - d) None of these

- (vi) Identify another name of Business Economics from the below mentioned options
- a) Managerial Economics
b) Economics for Executives
c) Economic analysis for business decisions
d) All of the these
- (vii) Select the basic assumptions of the law of demand.
- a) Prices of other goods should change
b) There should be substitute for the commodity
c) The commodity should not confer any distinction
d) The demand for the commodity should not be continuous
- (viii) Higher the price of certain luxurious articles, higher will be the demand, this concept is defined as
- a) Giffen effects
b) Veblen effects
c) Demonstration effects
d) None of these
- (ix) The proportionate change in the quantity demanded of a commodity in response to change in the price of another related commodity is described as
- a) Price elasticity
b) Related elasticity
c) Cross elasticity
d) Income elasticity
- (x) Identify the method for measurement of elasticity
- a) Proportional or Percentage Method
b) Outlay Method
c) Geometric method
d) All of these
- (xi) Product differentiation is interpreted in
- a) monopoly
b) perfect competition
c) monopolistic competition
d) monophony
- (xii) The responsiveness of demand due to a change in promotional expenses is established as
- a) Expenditure elasticity
b) Advertisement elasticity
c) Promotional elasticity
d) Either (b) or (c)
- (xiii) The marginal revenue equation can be computed from the
- a) Demand equation
b) Supply equation
c) Cost equation
d) Price equation
- (xiv) The functional relationship between input and output interpreted as
- a) Conversion
b) Production function
c) Work in progress
d) Output function
- (xv) Selling cost is related to which of the market?
- a) monopoly
b) monopolistic competition
c) oligopoly
d) none of these

Group-B

(Short Answer Type Questions)

3 x 5=15

2. State the determinants of cost. (3)
 3. Recall the important features of monopolistic competition. (3)
 4. Define Marginal Product and Average Product. (3)
 5. Explain why does demand curve slope downwards. (3)
 6. Deduce managerial economics and explain the nature of managerial economics. (3)
- OR**
- Analyze the Law of diminishing marginal utility. (3)

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Group-C

(Long Answer Type Questions)

5 x 6=30

7. Define individual supply and market supply and describe how they differ from each other. (5)
 8. Describe Price Discrimination under Monopoly. (5)
 9. Differentiate between change in demand and shift in demand. (5)
 10. Write and explain the law of diminishing marginal utility (5)
 11. Illustrate how cross-price elasticity of demand help in understanding the relationship between (5)
different goods.
 12. Evaluate how Individual supply and market supply are different from each other. (5)
- OR**
- Analyze market equilibrium with the help of a diagram. (5)

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