



BRAINWARE UNIVERSITY

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

Term End Examination 2023
Programme – BBA-2022
Course Name – Managerial Economics
Course Code - BBAC201
(Semester II)

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) 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 |
- (iv) An individual producer's supply curve for a good is observed from
- | | |
|---|--|
| a) The preferences of consumers of that good. | b) The income of consumers of that good. |
| c) The marginal cost of producing that good. | d) All of these |
- (v) Identify the case where the law of diminishing returns only applies.
- | | |
|---|--|
| a) there is increasing scarcity of factors of production. | b) the price of extra units of a factor is increasing. |
| c) there is at least one fixed factor of production. | d) capital is a variable input. |

- (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) Recognize the economic problem that every nation has.
- a) The problem of meeting every one's needs
b) Not enough population
c) Too much population
d) Not enough resources
- (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) Describe the process of finding current values of demand for various values of prices and other determining variables.
- a) Demand Estimation
b) Demand analysis
c) Demand function
d) Demand forecasting
- (xi) An Iso-cost line predicts the price of
- a) Output
b) Inputs
c) Finished goods
d) Raw material
- (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) Examine the relationship between price and quantity demanded
- a) Direct
b) Inverse
c) Linear
d) Non-linear
- (xiv) The firm charges price in tune with the industry's price is explained as
- a) competitive pricing
b) going rate pricing
c) tune pricing
d) target pricing
- (xv) The functional relationship between input and output interpreted as
- a) Conversion
b) Production function
c) Work in progress
d) Output function

Group-B

(Short Answer Type Questions)

3 x 5=15

2. Explain the properties of Indifference curve
 3. Define indifference curve. (3)
 4. Taking a linear revenue and cost function graphically show the output at which a firm breaks even. (3)
 5. Describe the Isoquants if two factors are perfect complements. (3)
 6. Criticize the difference between break even point and profit maximisation point. (3)
- OR**
- Assess why does it not make any economic sense to produce in instage 1 or stage 3. (3)

Group-C

(Long Answer Type Questions)

5 x 6=30

7. Define price effect, substitution effect, and income effect for normal goods. (5)
8. Explain the consumer's equilibrium condition with the help of the indifference curve approach. (5)
9. Explain the concept of perfectly elastic and perfectly inelastic demand. (5)
10. Discuss Revealed Preference Theory. (5)
11. Justify the shape of the long-run average cost (LAC) curve. (5)
12. Analyze market equilibrium with the help of a diagram. (5)

OR

Explain why the demand curve for a Giffen good has a positive slope. (5)

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