MANAGERIAL ECONOMICS (CSBS 2205)

Time Allotted : 3 hrs

Full Marks: 70

Figures out of the right margin indicate full marks.

Candidates are required to answer Group A and <u>any 5 (five)</u> from Group B to E, taking <u>at least one</u> from each group.

Candidates are required to give answer in their own words as far as practicable.

Group – A (Multiple Choice Type Questions)

1.	Choos	se the correct alternative for the follow	$10 \times 1 = 10$	
	(i)	Managerial Economics uses (a) Micro Economics only (c) Micro and Macro both	(b) Macro Economics or (d) None of the above.	nly
	(ii)	Implicit Cost refers to (a) Managerial Cost (c) Opportunity Cost of Resources	(b) Total Average cost (d) None of the above	
	(iii)	In case of demand, a slight chang in demand (a) inelastic (c) perfectly elastic	e in the price will make (b) elastic (d) perfectly inelastic	greater change
	(iv)	Under "Law of variable proportions" a sin (a) constant (c) both constant and variable	gle factor is (b) variable (d) none of the above.	
	(v)	In 'monopolistic competition' products ar (a) heterogeneous (c) differentiated	e (b) homogeneous (d) none of the above.	
	(vi)	 Price discrimination refers to (a) selling the same commodity at same prices to buyers (b) selling the same commodity at different prices to buyers (c) selling the different commodity at same prices to buyers (d) None of the above. 		
	(vii)	Which of the following terms indicate a point for providing credit to the government?(a) Cash Credit Ratio(c) Liquidity Adjustment Facility	mechanism used by com (b) Debt Service Obligat (d) Statutory Liquidity	tion
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- (viii) The Industrial policy resolution of India was passed first in
 (a) 1947
 (b) 1956
 (c) 1931
 (d) 1999.
- (ix) How many industries were reserved only for the public sector before the deregulation of the industrial sector in 1991?
 (a) 20
 (b) 17
 (c) 24
 (d) 19.
- (x) Which of the following is the outcome of the globalisation of a country's economy?(a) Outsourcing(b) Privatisation
 - (a) Outsourcing(b) Privatisation(c) Liberalisation(d) None of the above.

Group- B

2. (a) Define Managerial Economics and write any three objectives of Managerial Economics. [(CO1)(Remember/LOCQ)]

- (b) Discuss the relationship of Managerial Economics with other disciplines. [(CO1)(Understand/LOCQ)]
- (c) "Managerial Economics is the integration of Economic theory with managerial practice for the purpose of facilitating decision making" Explain.

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[(CO2)(Analyze/IOCQ)]
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3 + 4 + 5 = 12

- 3. (a) Explain PCC and ICC with the help of diagram. [(CO2)(Remember/LOCQ)]
 - (b) Prove that Price Effect = Income Effect + Substitution Effect.

[(CO3)(Understand/HOCQ)]

(c) Differentiate Giffen good and inferior good with the help of indifference curve theory. [(CO4)(Analyse/IOCQ)]

3 + 5 + 4 = 12

Group – C

- 4. (a) How do ridgelines separate economic region of production from that of noneconomic region? [(CO4)(Remember/LOCQ)]
 - (b) Let the cost function be $TC=2Q-2Q^2+Q^3$
 - (i) Find out AC & MC.
 - (ii) At what output level AC becomes minimum? [(CO4)(Analyze/LOCQ)]
 - (c) Point out the essential behavioural differences between perfect competition and monopolistic competition. [(CO3)(Analyze/IOCQ)]

4 + 4 + 4 = 12

- 5. (a) What is meant by oligopoly? How many types of oligopoly firms are found in business? [(CO4)(Understand/LOCQ)]
 - (b) Discuss Cartel with their operation in real world.

[(CO2)(Understand/HOCQ)]

(c) Point out the essential behavioural differences between perfect competition and [(CO1)(Analyze/HOCQ)] monopolistic competition.

3 + 5 + 4 = 12

Group - D

[(CO4)(Remember/LOCQ)] 6. (a) Write a short note on FEMA. Identify and explain three tools of monetary policy. (b)

[(CO2)(Remember/LOCQ)]

(c) Explain the sequence of links connecting an expansionary monetary policy with interest rates, intended investment, aggregate demand and output.

[(CO1)(Analyze/IOCQ)] 3 + 4 + 5 = 12

What is Fiscal Policy? [(CO1)(Remember/LOCQ)] (a) [(CO4)(Understand/LOCQ)] (b) Discuss the basic workings of RBI. What are the instruments of Monetary policy were taken during Covid19 in (C) [(CO6)(Analyze/IOCQ)] India?

2 + 5 + 5 = 12

Group - E

8.	(a)		was introduced? List three objectives of the	
		policy.	[(CO4)(Remember/LOCQ)]	
	(b)	What is the difference between libera	alisation and globalisation?	
			[(CO5)(Understand/LOCQ)]	
(c) How Indian Economy was positively affected by NEP, 1991?				
			[(CO4)(Analyse/IOCQ)]	
			3 + 3 + 6 = 12	
9.	(a)	What are the objectives of MRTP 196	9? [(CO1)(Remember/LOCQ)]	
	(b)	What were the main provisions of MI	RTP? [(CO2)(Understand/IOCQ)]	
	(c)	Why MRTP 1069 was replaced?	[(CO2)(Analyse/HOCQ)]	
			4 + 4 + 4 = 12	

Cognition Level	LOCQ	IOCQ	HOCQ
Percentage distribution	46.87	34.38	18.75

Course Outcome (CO):

After the completion of the course students will be able to

- 1. To appreciate the foundational concepts of managerial economics.
- To develop a microeconomic approach to business decisions. 2.
- To arrive at decisions by applying concepts of microeconomics. 3.

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- 4. To apply the tools of managerial economics and find solutions to the complex problems of production processes.
- 5. To co-relate concepts and theories of microeconomics and macroeconomics.
- 6. To decide and choose options aimed at furthering the goals of the organization.

*LOCQ: Lower Order Cognitive Question; IOCQ: Intermediate Order Cognitive Question; HOCQ: Higher Order Cognitive Question