

Roll No. ....

Total Pages : 03

**CMBA/D-23**

**27212**

MANAGERIAL ECONOMICS

MBA-102

Time : Three Hours]

[Maximum Marks : 70

**Note :** Attempt *Six* questions in all. Q. No. **1** is compulsory.

Question Nos. **2-9** carry 10 marks each.

**1.** State and explain the following : **5×4=20**

- (a) Essentials of Cobb-Douglas production function
- (b) Factors affecting elasticity of demand
- (c) Relationship between the average revenue (AR), marginal revenue (MR) and the price elasticity of demand.
- (d) How can the firm determine the most suitable demand forecasting method to use ?
- (e) Price Effect = Income Effect + Substitution Effect

**2.** "Theory of firm provide an integrated framework for the analyse of managerial decision making", do you agree ?  
Substantiate. **10**

3. If the total product curve increases at a decreasing rate from the very beginning, what would be the shape of the corresponding marginal and average product curves ? Illustrate and substantiate. **10**
4. What do you understand by economies of scope ? How do these differ from the economies of scale ? Explain. **10**
5. What is the best level of output of a perfectly competitive firm in the long run ? Under what conditions can we be sure that perfect competition leads to a more efficient use of society's resources ? **10**
6. What alleged price behaviour of oligopolists does the kinked demand curve seek to explain ? What are the important reasons for the rise and rapid spread of global oligopolists ? **10**
7. (a) Why do a firm produce a product on which it makes zero profits ? **5**  
 (b) How does rising inflation impact value of firm ? **5**

8. Critically examine the effectiveness of monetary and fiscal policies in controlling inflation in digital economies. **10**
9. How is effective purchasing power theory in explaining exchange rates between two competitive large economies ? Explain. **10**