

**SECTION C – (5 x 10 = 50 marks)**

**ANSWER ALL QUESTIONS**

21. A Explain decision making process in economics.  
**OR**  
B Differentiate between Microeconomics and Macroeconomics.
22. A Define demand and describe its determinants with suitable examples.  
**OR**  
B What are the different methods to measure price elasticity of demand?
23. A What is a Production Function? Explain short run and long run production function.  
**OR**  
B What is price discrimination? Explain how price and output is determined in case of discriminating monopoly?
24. A Distinguish between GNP and GDP. What are the components of GNP?  
**OR**  
B Describe the main causes of trade cycles in an economy.
25. A "India is a passing through a phase of high Inflation". In the light of this statement discuss the causes, effects and cures of Inflation for India Economy.  
**OR**  
B Analyze the emerging business environment and comment on the liberalization process underway in our economy.

8/12/23

8/12/23

Four Pages  
S. No. 71015

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**END SEMESTER EXAMINATION NOV/DEC-2023**

**First Semester**

**MBA**

**CORE – V MANAGERIAL ECONOMICS**

**Time: Three Hours**

**Maximum: 75 marks**

**SECTION A – (15 x 1 = 15 marks)**

**ANSWER ALL QUESTIONS**

- The study of the choices made by individuals is part of the definition of  
A Microeconomics      B Positive economics  
C Macroeconomics      D Normative economics
- At saturation point, the consumer's marginal utility is  
A Maximum      B Minimum  
C Positive      D Zero
- Economic profit is the difference between total revenue and  
A Interest costs of production      B Opportunity costs of production  
C Implicit costs of production      D Explicit costs of production.
- The law of constant returns to scale is depicted by the marginal output curve which is \_\_\_\_\_  
A Upward sloping      B Downward sloping  
C Horizontal      D Vertical
- Price elasticity at a given price is not affected by

- A The price of complements.      B The price of substitutes.  
 C The consumer's income.      D A change in supply.
6. When a proportional change in input combination caused the same proportionate change in output, the returns to scale is said to exhibit  
 A Increasing returns      B Decreasing returns  
 C Constant returns      D Law of variable proportion.
7. The portion above the kink on demand curve of an oligopolist is  
 A Less elastic      B More elastic  
 C Infinitely elastic      D Perfectly elastic
8. The goal of a pure market economy is to best meet the desires of  
 A Consumers      B Companies  
 C Workers      D The government
9. A profit maximizing firm in perfect competition produces  
 A In perfect competition      B Oligopoly  
 C Monopoly      D Monopolistic competition
10. Which of the following is not correct?  
 A  $NNP + \text{Indirect taxes} = \text{National Income}$       B  $GNP = NNP + \text{Depreciation}$   
 C  $\text{Saving} + \text{Taxes} = \text{Investment} + \text{Government spending}$       D  $\text{Personal income} = \text{Disposable income} + \text{Personal taxes}$
11. Disposable Income is equal to  
 A National Income Minus Taxes      B Real GDP

- C National Income Minus Taxes      D National Income Minus Taxes Plus Transfers
12. Per capita income of a country is  
 A Total income      B The average income of the people  
 C Disposable income      D Personal income
13. Inflation reaching double or triple digit is called  
 A Galloping inflation      B Creeping inflation  
 C Running inflation      D Deflation
14. Which of the following tax will be abolished by the GST?  
 A Income Tax      B Corporation tax  
 C Service Tax      D Wealth Tax
15. The theory according to which the difference between expected appreciation and foreign interest must be equal to domestic interest rate is called  
 A interest rate parity theorem      B appreciation parity theorem  
 C domestic parity theorem      D foreign interest parity theorem

**SECTION B – (2 x 5 = 10 marks)**

**ANSWER ANY TWO QUESTIONS**

16. What is Managerial Economics? Discuss its scope.  
 17. Describe price elasticity of demand. How it can be measured?  
 18. What is meant by economies of scale? What are major types of external economies?  
 19. Elaborate the steps involved in estimating national income by income method.  
 20. Classify the objectives of fiscal policy.