

PARUL UNIVERSITY
FACULTY OF LAW
I- B.Com LL.B. Summer 2018 – 19 Examination

Semester: 4
Subject Code: 17302280
Subject Name: Managerial Economics

Date: 13/04/2019
Time: 10.30 am to 1.00 pm
Total Marks: 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as directed.**(15)**(MCQ) (1 marks each. All Compulsory)

1. Who stated this : “Business Economics consists of the use of economic modes of thought to analyse business situations.”

- | | |
|-------------------------|--------------------------|
| a) Haynes, Moteand Paul | b) Spencer and Seegelman |
| c) McNair and Meriam | d) Mansfield |

2. A supply schedule is a _____ that shows the quantity supplied at each price.

- | | |
|------------|----------|
| a) graph | b) chart |
| c) picture | d) table |

3. An increase in the price of one product will cause an increase in the demand for a _____.

- | | |
|--------------------------|------------------------|
| a) substitute product | b) alternative product |
| c) complementary product | d) original product |

4. _____ is a kind of imperfect market where two sellers exist in the market providing a particular product or service.

- | | |
|--------------|-----------------------------|
| a) Duopoly | b) Monopoly |
| c) Oligopoly | d) Monopolistic competition |

5. _____ is that type of monopoly in which a single firm which controls the supply of a commodity which has no substitutes not even a remote one.

- | | |
|---------------------|------------------------|
| a) Pure monopoly | b) Legal monopoly |
| c) Natural monopoly | d) Industrial monopoly |

6. Consider the following statements and identify the right one/ones:

[i] Refers to the current year production of goods and services valued at base year prices.

[ii] Such base year prices are Constant Prices.

- | | |
|----------------------|--------------|
| a) only [i] | b) only [ii] |
| c) both [i] and [ii] | d) none |

7. Which of the following is not a characteristic/ assumption of perfect competition:

- | | |
|------------------------|------------------------|
| a) Perfect knowledge | b) Free entry and exit |
| c) Transportation cost | d) Homogeneous product |

8. _____ refers to a market situation in which there is only one seller of a commodity.

- | | |
|------------------------|-------------------------|
| a) Perfect competition | b) Ceteris paribus |
| c) Monopoly | d) Economic rationality |

9. _____ is a method or technique used to measure the economic activity in the national economy as a whole.

- | | |
|---------------------------|-------------------------------|
| a) Net National Product | b) National Income Accounting |
| c) Gross National Product | d) Gross Domestic Product |

10. _____ is calculated by subtracting depreciation from Gross National Product.

- | | |
|---------|--------|
| a) GDP | b) GNP |
| c) NIFC | d) NNP |

11. _____ describes the ability and willingness of a single individual to buy a specific good or service.

- | | |
|----------------------|------------------|
| a) Individual demand | b) Market demand |
| c) Inelastic demand | d) Firm demand |

12. An increase in the price of one product will cause a decrease in the quantity demanded of a/an

- _____.
- a) substitute product
 - b) alternative product
 - c) complementary product
 - d) original product

13. _____ is used for eliciting the opinions of a group of experts with the help of mail survey.

- a) Time series projection method
- b) Trend projection method
- c) Exponential smoothing method
- d) Delphi method

14. When the change in price causes the same proportionate change in quantity demanded, demand has _____.

- a) perfectly inelastic demand
- b) unit elasticity
- c) inelastic demand
- d) elastic demand

15. A supply curve is a _____ that shows the quantity supplied at each price.

- a) graph
- b) chart
- c) picture
- d) table

Q.2 A) Answer the following (Each of three mark)

1. Explain determinants of demand in detail.
2. State difference between individual and market demand.
3. Explain in detail type of monopoly. (15)
4. Explain degrees of price discrimination.
5. Explain features of monopoly.

Q.3 A) Explain the various methods of measuring national income. (08)

OR

Explain scope of managerial economics in detail. (08)

B) Explain in detail market and demand analysis. (07)

OR

Explain price elasticity of demand in detail. (07)

Q.4 A) Write short note on types, necessary conditions, advantages and disadvantages for price discrimination. (07)

B) Answer the following (Any 4 each of two mark)

1. Explain types of oligopoly. (08)
2. Explain duopoly with example.
3. Explain nature of managerial economics.
4. Explain law of demand.
5. Explain law of supply
6. State factors of production that affect national income.