

Seat No : _____

Enrolment No : _____

Parul Institute of Business Administration

Faculty of Management

Mid term Exam - Semester IV

Subject : Managerial Economics

Total Marks : 30 Marks

Date : 29/03/2018

Time : 10:30 to 12:00

Q. 1 (a) Multiple Choice Question:

(03)

1. A firm in an entirely competitive industry has
 - a. perfectly elastic supply curve
 - b. perfectly elastic demand curve
 - c. negatively sloped demand curve
 - d. positively sloped demand curve
2. Marginal proceeds/ revenue are equivalent to price for which one of the following kinds of market structure
 - a. monopoly
 - b. perfect competition
 - c. monopolistic competition
 - d. oligopoly
3. Which of the following are characteristics of B.E.P?
 - a) There is no loss and no profit to the firm
 - b) Total revenue is equal to total cost
 - c) Contribution is equal to fixed cost
 - d) All of the above

(b) Define following terms :

(02)

1. Equilibrium
2. Monopoly

Q.2 Answer the following questions: (Each for 5 marks)

(10)

- (a) State the features of monopoly market.
- (b) Discuss the equilibrium conditions under perfect competition with the help of diagram.

Q.3. Answer the following question in detail.

(7.5)

1. Explain how an individual firm attains equilibrium under perfect competition during short run period?

Q.4. Singhanian Power Limited is at present producing – 9,000 Units with total fixed cost of production – Rs. 1,80,000. Its selling price Rs. 24 per unit. Its variable cost per unit is Rs. 18.

Using above information identify

- A. Break Even Point in units and in sales revenue.
- B. To Obtain a profit of Rs. 90,000 how many units should company produce and sell?
- C. Prepare BEP diagram for above given situations.