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1 (Sem-1/FYUGP) BBA MDC-N

2025

**MULTI DISCIPLINARY COURSE**

Paper : BBA0100203-N

*(Managerial Economics)*

Full Marks : 45

Time : 2 hours

***The figures in the margin indicate full marks for the questions.***

1. Choose the correct answer of the following :

1×5=5

(a) An inferior good is a commodity whose \_\_\_\_\_ with an increase an income.

(i) demand falls

(ii) demand rises

(iii) supply falls

(iv) supply rises

(b) A firm has a variable cost of Rs. 1200 at 6 units of output. If fixed cost is Rs. 600, what will be the Average Total Cost ?

(i) Rs. 280

(ii) Rs. 300

(iii) Rs. 1000

(iv) Rs. 600

(c) Total utility is \_\_\_\_\_ at the point of satiety

(i) Minimum

(ii) Maximum

(iii) Zero

(iv) None of the above

(d) The 'Kinked' demand hypothesis exists under \_\_\_\_\_ type of market.

(i) Oligopoly

(ii) Monopolistic

(iii) Monopoly

(iv) Perfect Competition

(e) A rightward shift of the demand curve indicates :

(i) Decrease in demand

(ii) Increase in demand

(iii) Contraction of demand

(iv) Expansion of demand

2. Answer the following questions : **(any five)**

2×5=10

(a) Mention *two* determinants of demand.

(b) Why are Indifference curves downward sloping ?

(c) Write the concept of Iso-Cost line.

- (d) Write the *two* features of Oligopoly market.
- (e) The price of Apples decreases from ₹ 50 per kg to ₹ 40 per kg. Due to this, the quantity demanded increases from 10 kg to 15 kg. Find the price elasticity of demand.
- (f) State *any two* exceptions to the law of demand.
- (g) Write *any two* differences between ordinal utility and cardinal utility.
- (h) What is implicit cost? Give *two* suitable examples.
- (i) What is 'differentiated product' in Monopolistic Competition?
- (j) Define opportunity cost of production.

3. Answer the following question : (*any four*)  
5×4=20
- (a) Explain the law of demand with the help of a diagram.
- (b) The following table shows the total cost schedule of a firm :
- |                |   |    |    |    |     |     |     |     |     |     |
|----------------|---|----|----|----|-----|-----|-----|-----|-----|-----|
| Output (units) | : | 0  | 1  | 2  | 3   | 4   | 5   | 6   | 7   | 8   |
| TC             | : | 50 | 70 | 85 | 110 | 150 | 195 | 240 | 287 | 334 |
- Calculate the TFC, TVC, MC and AC.
- (c) What are the characteristics of perfect competition?
- (d) Explain the concept of Income Consumption curve in case of normal goods.
- (e) Write the types of price elasticity of demand with the help of diagram.

- (f) Explain the concept of Indifference Curve with the help of a diagram.
- (g) What are fixed and variable costs of production? Explain with example
- (h) How price and output are determined under Monopoly market in the long run?

4. Answer the following questions : **(any one)**

10×1=10

- (a) Explain consumer's equilibrium through the use of Indifference Curve and Budget line .
- (b) Explain the law of diminishing marginal productivity theory.
- (c) What is Monopolistic Competition? Explain the short-run equilibrium conditions under Monopolistic Competition.

- (d) What is Isoquants? Explain the properties of Isoquants with the help of diagram.

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