

C.U.SHAH UNIVERSITY

Summer Examination-2018

Subject Name: Managerial Economics

Subject Code: 5MS01MEE1

Branch: MBA

Semester: 1

Date: 23/03/2018

Time: 02.30 To 05.30

Marks: 70

Instructions:

- (1) Use of Programmable calculator and any other electronic instrument is prohibited.
 - (2) Instructions written on main answer book are strictly to be obeyed.
 - (3) Draw neat diagrams and figures (if necessary) at right places.
 - (4) Assume suitable data if needed.
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SECTION – I

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|------------|---|-------------|
| Q-1 | Attempt the Following questions | (07) |
| | a. Define Substitute products. | 01 |
| | b. Define Demand | 01 |
| | c. Write any two characteristics of Perfect Competition. | 01 |
| | d. What does inflation means? | 01 |
| | e. What is CRR? | 01 |
| | f. Explain the concept : Unit Elasticity | 01 |
| | g. How to find ATC? | 01 |
| Q-2 | Attempt all questions | (14) |
| | 1 Enlist the determinants of individual demands and supply. | 07 |
| | 2 What do you mean by the supply curve? Explain the variables which cause a shift in supply curve. | 07 |
| OR | | |
| Q-2 | Attempt all questions | (14) |
| | 1 “Managerial Economics is applied micro economics” Explain. | 07 |
| | 2 Short note on: Circular Flow Diagram | 07 |
| Q-3 | Attempt all questions | (14) |
| | 1 What do you mean by “Trade can make everyone better off”? | 07 |
| | 2 Explain the profit and break even situation of a firm with an illustration | 07 |
| OR | | |
| Q-3 | 1 Describe the three attributes of monopolistic competition. How it is like monopoly and perfect competition? | 07 |
| | 2 What is the prisoner's dilemma and what does it have to do with oligopoly? | 07 |



SECTION – II

- Q-4 Attempt the Following questions (07)**
- a. Write the equation to find Price Elasticity of Demand. **01**
 - b. Write the formula to find GDP Deflator. **01**
 - c. What does Stagflation means? **01**
 - d. What does inflation means? **01**
 - e. Explain the concept: Money Multiplier. **01**
 - f. Give full name of GNP. **01**
 - g. What do you mean by National Income? **01**
- Q-5 Attempt all questions (14)**
- 1 Describe the three problems that make the consumer price index an imperfect measure of the cost of living. **07**
 - 2 What is the role of GDP Deflator? **07**
- OR**
- Q-5 1 Define money? What are the functions of money 07**
- 2 What is productivity? Explain the factor of production 07**
- Q-6 Attempt all questions (14)**
- 1 Differentiate Monopolistic competition and perfect competition. **07**
 - 2 How GDP and GNP can be differentiated? **07**
- OR**
- Q-6 Attempt all Questions**
- 1 Explain the reasons for the downward slope of aggregate demand curve. **07**
 - 2 Which are the forces that lead to the proper price of the product? **07**

