

Cutting, Overwriting, Erasing, Fluid painting and use of Lead Pencil will earn no marks.
Write answer of the Question No.1 and 2 on this sheet and handover it to the supervisory staff of examination within first 35 minutes.

Time Allowed: 35 Minutes

(OBJECTIVE PART)

Max. Marks: 32

**Sign of
Supdt.**

1- a) Encircle the correct answer:

1x4

i) Inelastic demand is a feature of

a) Monopoly

b) Monopolistic Competition

c) Perfect Competition

d) Oligopoly

ii) An Indifference Curve shows

a) Consumer's preferences

b) Product Behaviour

c) Oligopolistic Market

d) Manager's Decisions

iii) The concept in Managerial Economics may be part of

a) Microeconomics

b) Econometrics

c) Optimization

d) All of the above

iv) Perfectly elastic demand is a feature of

a) Monopoly

b) Monopolistic Competition

c) Perfect Competition

d) Monopsony

b) Encircle True or False as the case may be.

1x8

i) The demand curve under Monopolistic competition is perfectly elastic **True / False**

ii) Managerial Enterprise Models was given by Marris. **True / False**

iii) According to law of variable proportions, production varies in three stages. **True / False**

iv) Nash Equilibrium is a concept from Game Theory. **True / False**

v) In the long run, average variable cost is equal to average cost. **True / False**

vi) Cross Elasticity for substitutes is negative. **True / False**

vii) One single firm controls the market under perfect competition. **True / False**

viii) The income elasticity of demand for Giffen Goods is positive..... **True / False**

c) Fill in the blanks:

1x4

i) According to law of variable proportions, production can be shown in _____ stages.

ii) Consumer Surveys are used for Demand _____.

iii) Demand Curve under monopoly is _____ elastic.

iv) Price elasticity of demand is _____ for Giffen Goods.

(Continued Overleaf)

2- Give short answers to the following questions:

2x8

i) Define MONOPOLY.

ii) What is INCOME ELASTICITY?

iii) What is meant by AN ECONOMETRIC MODEL?

iv) What do we study in OPTIMIZATION?

v) Define the term RISK.

vi) What is the difference between INFERIOR GOOD and GIFFEN GOOD?

vii) What is MARGINAL COST?

viii) What is meant by COMPLEMENTARY GOODS?

SUBJECTIVE PART

Total Marks: 32+ 68 = 100

Pass Marks = 40%

UNIVERSITY OF GUJRAT



(M.Com Part-I)

Managerial Economics

Roll No: _____

Time Allowed : 2:25 hrs
Max. Marks : 68

Attempt **FOUR** Questions in all. All Questions carry equal marks.

- 3- Discuss the Various Methods of DEMAND ESTIMATION. Which are better in your opinion? 17
- 4- Explain the LAW OF VARIABLE PROPORTIONS in detail. 17
- 5- Describe the Baumol's Theory of SALES REVENUE MAXIMIZATION. 17
- 6- What is MONOPOLY? Discuss how price and output are determined under monopoly? Use diagrams to explain your answer. 17
- 7- Define and explain the concepts of Price Elasticity of Demand. How can we measure it? 17
- 8- Maximize the following Profit Function finding the Output Level and Maximum Profit. 17

$$\pi = 80x - 2x^2 - xy - 3y^2 + 100y$$

***M.Com-I(13/A) (M.C-I) ***