



'समानो मन्त्रः समितिः समानी'

**UNIVERSITY OF NORTH BENGAL**  
BBA Honours 1st Semester Examination, 2021

**GE1-P1-BBA (104)**

**MANAGERIAL ECONOMICS**

Time Allotted: 2 Hours

Full Marks: 60

*The figures in the margin indicate full marks.  
Candidates should answer in their own words and adhere to the word limit as practicable.  
All symbols are of usual significance.*

**GROUP-A**

**Answer any two questions from the following**

12×2 = 24

1. (a) Explain consumer's equilibrium in the light of the Law of Equal Marginal Utility. 6+6 = 12  
(b) Show that price effect is a combination of income effect and substitution effect.
2. (a) Narrate the features of the perfectly competitive market. 6+6 = 12  
(b) Show how the supply curve of a firm in perfectly competitive market is determined with the help of MC and AVC?
3. (a) Explain conditions necessary for the existence of a monopoly.  
(b) Discuss the conditions necessary for price discriminating monopoly.
4. (a) Discuss the properties of iso-quant curve. 4+8 = 12  
(b) Using iso-cost and iso-quant curves show that selection of optimum input combination is achieved at the point where MRTS is equal to the ratio of input prices.

**GROUP-B**

5. Answer any **four** questions: 6×4 = 24
  - (a) Given the production function  $Q = LK - 0.2L^2 - 0.8K^2$ . Find the marginal productivity of labour and capital. If capital is fixed at  $K=10$ . What will be the maximum level of production? 3+3
  - (b) Why is the supply curve not an operational concept in the case of a monopoly firm? Discuss your answer with the necessary diagram. 2+4

- (c) When does a firm face a kinked demand curve? How does the firm attain equilibrium in such a case? 2+4
- (d) When a firm in a perfectly competitive market decides to shut down? 6
- (e) Explain the causes behind the difference in wages. 6
- (f) Discuss the relationship between MC and AC. 6

**GROUP-C**

6. Answer any *four* questions: 3×4 = 12
- (a) When the shape of an indifference curve can be 'L' type?
- (b) Why in the perfectly competitive market  $AR = MR = P$ ?
- (c) What is the expansion path?
- (d) Write a short note on collusive oligopoly.
- (e) Price of good X rises from Rs. 20 to Rs. 30 per unit. Consequently, its demand falls by 20 units and became 100 units. Determine price elasticity of demand.
- (f) What is quasi-rent?

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