

(4)

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(c) Case :

(CO2)

- (i) Mr. X used to purchase 1000 units of a commodity when its price was ₹ 10. Now when the price has increased by ₹ 2, he has reduced his consumption by 400 units. What is the elasticity in this case ?
- (ii) Elasticity can be understood using Graphical Representation. Validate.

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Roll No.

MB-103

M. B. A. (FIRST SEMESTER)

MID SEMESTER EXAMINATION, 2021-22

MANAGERIAL ECONOMICS

Time : 1 : 30 Hours

Maximum Marks : 50

Note : (i) This question paper contains two sections.

(ii) Both sections are compulsory.

Section-A (1×10=10)

1. Fill in the blanks/True or False :

- (i) Basic condition of law of Equimarginal Utility is
- (ii) Higher Indifference curve indicates
- (iii) If expenditure increases by ₹ 2,000 when price increases by ₹ 2, elasticity is equal to 1. (True/False)

P. T. O.

(2)

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- (iv) Law of Diminishing Marginal Utility does not apply on 'alcoholics'.

(True/False)

- (v) Consumer Surplus is

- (vi) Microeconomics is the study of individuals and market. (True/False)

- (vii) Savings in financial markets is injection.

(True/False)

- (viii) is a technique where more of labour is used and less machines are applied.

- (ix) In a two-sector economy government and firms are present. (True/False)

- (x) PPC is

Section-B

(20×2=40)

Note : (i) Each question contains three parts (a),

(b) & (c).

(ii) Attempt any *one* part of choice (a) &

(b) from each question and part (c) is compulsory of each question.

(3)

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2. (a) Discuss the Central Problems in an economy with its root cause. (CO1)

OR

- (b) Explain the various areas where economics can help a business decision making. (CO1)

- (c) Case :

(CO1)

Indian economy is an Open Economy.

Using the concept of Circular Flow of Income describe how the flow would take place in Indian Economy step by step.

3. (a) Discuss Consumer's Equilibrium in detail using ordinal analysis. (CO2)

OR

- (b) Explain the Law Of Diminishing Marginal Utility along with its assumptions and exceptions. (CO2)