

QP Code: 22/PT/9/II(NEW)

**POST-GRADUATE COURSE**

**Term End Examination — June, 2022/December, 2022**

**COMMERCE ( New Syllabus )**

**Paper-II : MANAGERIAL ECONOMICS**

**( From January 2022 Enrolment Session )**

Time : 2 hours ]

[ Full Marks : 50

Weightage of Marks : 80%

**Special credit will be given for accuracy and relevance in the answer. Marks will be deducted for incorrect spelling, untidy work and illegible handwriting.**

**The weightage for each question has been indicated in the margin.**

**Use of scientific calculator is strictly prohibited.**

**Module - I**

Answer any *two* of the following questions : 12½ × 2 = 25

1. Define Managerial Economics. "Managerial Economics helps the manager in decision making." Discuss the statement. 2½ + 10
2. Distinguish between change in demand and change in price. Explain different variants of elasticity of demand. What is demand forecasting ? 3 + 7 + 2½
3. (a) What do you mean by *L*-shaped isoquant ? Why is it called *L*-shaped?  
(b) Suppose the production function of a firm as  $Q = \sqrt{x_1 x_2}$ . Price per unit of  $x_1$  and  $x_2$  are Rs. 4 and Rs. 8 respectively. Determine the maximum level of output if the firm spends Rs. 400. 3 + 3 + 6½

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[ Turn over

4. (a) Explain the law of variable proportions.  
(b) From the given cost function  $C=50+3Q+0.2Q^2$ , show that  $MC$  equals  $AC$  when the later is minimum.       $6 + 6\frac{1}{2}$

**Module - II**

Answer any *two* of the following questions :       $12\frac{1}{2} \times 2 = 25$

5. (a) What is demand pull inflation ?  
(b) What is inflationary gap ?  
(c) Draw a Phillips curve and explain the trade-off between inflation and unemployment.       $2 + 4 + 6\frac{1}{2}$
6. (a) What is price discrimination ? When is price discrimination possible and when is it profitable ?  
(b) Discuss the conditions for equilibrium of a perfectly competitive firm in the short run.       $( 2 + 2 + 2 ) + 6\frac{1}{2}$
7. (a) Explain the basic features of oligopoly. What are the classifications of oligopoly ?  
(b) Explain the implication of the existence of the Kink.       $( 4 + 4 ) + 4\frac{1}{2}$
8. (a) What do you mean by multiple-product pricing ?  
(b) Explain, in brief, the welfare implications of Williamson's model.  
(c) What arguments can you suggest against profit maximisation hypothesis ?       $4 + 4\frac{1}{2} + 4$

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