

Seat No.: \_\_\_\_\_

Enrolment No. \_\_\_\_\_

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
MBA (INTEGRATED)- SEMESTER-03 • EXAMINATION-SUMMER 2017

**Subject Code: 4130501**

**Date: 25/05/2017**

**Subject Name: Managerial Economics**

**Time: 02.30 PM TO 05.30 PM**

**Total Marks: 70**

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.I (a) What are the basic problems of an economy and explain how these problems are solved in a capitalist economy. 07

(b) Define Price Elasticity of Demand. Explain the any four factors influencing price elasticity of demand 07

Q.2 (a) Explain Fisher's Equation of Exchange Approach to the Quantity Theory of Money 07

(b) Explain briefly the scope of managerial economics and describe with an example how any one of these concepts helps in managerial decision making process. 07

OR

(b) Explain percentage method and total outlay method of measuring price elasticity of demand 07

Q.3 (a) Explain the law of variable proportions 07

(b) Explain short run cost-output relationship with suitable table and diagram 07

OR

Q.3 (a) Explain of MR-MC approach of producer's equilibrium when price remains constant and when price falls with rise in output 07

(b) What is an indifference curve? Explain any five properties of indifference curve. 07

Q.4(a) Explain price-output determination of a firm during short-run under conditions of monopolistic competition. 07

(b) Describe consumer's equilibrium with the help of the Law of Equi-Marginal Utility 07

OR

Q.4(a) Define perfect competition. Explain any five features of perfect competitive market 07

(b) Define inflation. Explain the effects of inflation on five different classes of people. 07

Q.5(a) What do you mean by social infrastructure? Explain the growth of different components of social infrastructure in Indian economy since 1991. 07

(b) Explain briefly various poverty alleviation measures set up by Government of India 07

OR

Q.5(a) Explain briefly the causes of unemployment problem in India. Suggest any two measures to minimize unemployment 07

(b) Explain briefly the effects high rate of growth of population in India 07

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