

INDIAN MARITIME UNIVERSITY
(A Central University, Govt. of India)

End Semester Examinations - December 2018

SEMESTER-I

M.B.A (Port and Shipping Management) /
(International Transportation and Logistics Management)

MANAGERIAL ECONOMICS(PG21T2102/PG22T2102)

Date: 27-12-2018

Max Marks :60

Time: 03 Hrs

Pass Marks: 30

PART- A

(Answer all the Questions)

12 x 1=12

- 1(a) A rational consumer always tries to
- A.Minimise his/her utility
 - B.Optimise his/her utility
 - C.Maximise his/her utility
 - D.None of the above
- 1(b) In terms of demand analysis, an income effect of a price change means
- A.Change in the income of the consumer
 - B.Change in the income of the supplier
 - C.Change in the real income of the consumer
 - D.All of the above
- 1(c) The world famous painting Mona Lisa by Leonardo da Vinci is an example of
- A.Perfectly elastic supply
 - B.Perfectly Inelastic supply
 - C.Elastic supply
 - D.Inelastic supply
- 1(d) Under law of variable proportion, if labour is assumed as a variable factor, then when Marginal Product of labour (MP_L) falls but still above the Average Product of labour (AP_L), Total product (TP)
- A.Increases at an increasing rate
 - B.Increases at a decreasing rate
 - C.Reaches at its maximum level
 - D.Becomes negative

- 1(e) Marginal Rate of Technical Substitution (MRTS) is equivalent to
- A. Ratios of the marginal costs of factors of production
 - B. Ratios of the average productivities of factors used in production
 - C. Absolute slope of the isoquant
 - D. None of the above
- 1(f) In the short run, as output increases, Average Fixed Cost goes diminishing. This is known as
- A. Spreading effect
 - B. Diminishing returns effect
 - C. Snob effect
 - D. Demonstration effect
- 2(a) Under which of the following market condition, brand loyalty is found
- A. Perfect Competition
 - B. Monopoly
 - C. Monopolistic Competition
 - D. None of the above
- 2(b) Net National Product is
- A. GDP plus Net Factor Income from Abroad
 - B. GDP less Depreciation
 - C. GDP less Depreciation plus Net Factor Income from Abroad
 - D. None of the above
- 2(c) Which of the following forms lion's share in national Income?
- A. Consumption
 - B. Investment
 - C. Saving
 - D. Transfer Payments
- 2(d) Selling of government securities by the Apex bank of a country aims at controlling _____
- A. Flow of finance from banks
 - B. Credit flow
 - C. Flow of government securities
 - D. None of the above

2(e) _____ is a determinant of aggregate supply

- A. Savings by consumers
- B. Consumption by consumers
- C. The quality and availability of factors of production
- D. None of the above

2(f) In terms of government's investment expenditure related financing, inflation control could be achieved through _____

- A. Deficit financing
- B. Foreign Borrowing
- C. Public borrowing
- D. Taxation

PART – B (200 Words)

(Answer any Five out of Seven)

5 x 4 = 20

3. Define elasticity of demand? Mention any one advantage of expressing the value of price elasticity of demand in absolute numbers. (2m +2 m)
4. Discuss reasons behind the upward slope of the supply curve.
5. Define MRTS. Explain how is MRTS responsible for convexity of an isoquant? (2m +2 m)
6. Why is short run average cost curve 'U' shaped? Discuss.
7. Why is average revenue curve of a monopolist firm downward sloping? Explain.
8. Explain various characteristic features of a market under perfect competition?
9. Illuminate difference between GDP and GNP.

PART - C

(Question No.10 is compulsory and Any three questions to be answered from the remaining Questions)

4 x 7 = 28

10. Explain how are price and output determined under monopolistic market condition? Provide necessary diagrammatic representation whenever required.
11. Define price elasticity of demand. How is it measured? Elucidate various types of price elasticity of demand with diagrammatic representation. (2+1+4)
12. With the help of diagram, discuss all the three stages of law of variable proportion.
13. Discuss various methods of measuring national income.
14. Explain various instruments used under monetary policy of an economy.
15. Define the difference between economic growth and economic development. Discuss various challenges to economic development of an economy. (2+5)
