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**Presidency University**

**Bengaluru**

**SCHOOL OF LAW**

**Make-Up Examinations, July 2024**

**Winter Semester**: I

**Course Code**: BBL3103

**Course Name**: Managerial Economics

**Program & Sem**:

**Date**: 03/ / July / 2024

**Time**: 9:30AM TO 12:30PM

**Max Marks**: 100

**Weightage**: 50%

**Instructions:**

1. *Read the all questions carefully and answer accordingly.*
2. *Question paper consists of three parts.*
3. *Scientific and Non Programable Calculators are Permitted.*
4. *Do not write any information on the question paper other than roll number.*

**Part A**

**Answer any FOUR Questions. (4 Q x 5 M = 20 M)**

1. Using labelled diagrams, explain the concept of movement along the demand curve and shift in the demand curve. (C.O.No.1) [Knowledge]

2. Elaborate the five types of price elasticity of demand using labelled diagram and equations.

(C.O.No.1) [Knowledge]

3. What are cost curves? Explain all the short-run cost curves with the help of formulae and diagrams.

(C.O.No.2) [Knowledge]

4. Why average cost curve is U-shaped curve? Explain it with the help of average variable cost curve and average fixed cost curves. (C.O.No.2) [Knowledge]

5. By utilizing the suitable diagram, describe the three stages of production. Identify which stage is considered as the best stage for the production. (C.O.No.3) [Knowledge]

6. Explain in detail the circular flow of income in two sector model using suitable diagram.

(C.O.No.4) [Knowledge]

**Part B**

**Answer any FOUR Questions. ( 4 Q x 10 M = 40 M)**

7. Explain the reasons for convexity of indifference curve to the origin using suitable diagram?

(C.O.No.03) [Knowledge]

8. Why Indifference curve do not touch any of the axis? Elaborate the concept using appropriate diagram. (C.O.No.03) [Knowledge]

9. What does the cross elasticity of demand measures? Explain different conditions with graph.

(C.O.No.02) [Comprehension]

10. Elaborate on the psychological law of consumption. Highlights the factors influencing the consumption function. (C.O.No.02) [Comprehension]

11. When the price of laptop remains same but its demand goes up, what probably will happen to the demand for laptop? Explain the factors which could be the probable cause for this.

(C.O.No.02) [Comprehension]

12. Explain the long run production function with its assumptions. (C.O.No.04) [Comprehension]

**Part C**

**Answer any TWO Questions. (2 Q x 20 M = 40 M)**

13. Explain the relationship of Total Product, Marginal Product and Average Product, when for increasing production only one input is increased while all other inputs are kept constant. Give the assumptions also. (C.O.No.04) [Application]

14. Discuss different seven short-run cost curves along with their curve and reason behind their slope of curve. (C.O.No.03) [Application]

15. Consider the following table: (C.O.No.04) [Application]

|  |  |
| --- | --- |
| **Output** | **Total Cost** |
| 0 | 10 |
| 1 | 30 |
| 2 | 45 |
| 3 | 55 |
| 4 | 70 |
| 5 | 90 |
| 6 | 120 |

Calculate TVC, TFC, AFC, AVC, AC and MC.