

MID-WESTERN UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
MAKE-UP EXAMINATION: 2020
MASTER OF BUSINESS STUDIES (MBS)
SEMESTER-I

Subject: Managerial Economics Course Code: MGMT 513
Full Marks: 60 Time: 3 Hours

Candidates are required to answer the questions in their own words as far as practicable.

Group A: Very Short Answer Questions (10 X 1=10 Marks)

Attempt ALL the questions.

- Q1. What are the scopes of managerial economics? Name any four of them.
- Q2. How can the profit be raised according to the innovation theory of profit?
- Q3. Find the equilibrium price with the help of following equations:
 $D_x = 20 - 4p$ and $S_x = 10 + 6p$
- Q4. Write any two differences between cardinal and ordinal utility analysis.
- Q5. Find out the investment multiplier when the marginal propensity to consume (MPC) is 0.8.
- Q6. What does the psychological law of consumption states?
- Q7. Find the Gross domestic product with given information;

Items	Amount (Rs. inCrore)
Mixed Income	200
Wage Salaries	1,000
Rent	300
Interest	600
Profit	100

- Q8. What is meant by opportunity cost?
- Q9. Mention the saving function in brief.
- Q10. What are the problems of free trade? Mention any two of them.

Group B: Short Answer Questions (3 X 8 = 24 Marks)

Attempt any **THREE** questions.

- Q11. Critically explain the law of equi-marginal utility analysis. [8]
- Q12. Explain the various concept of short run average cost with diagram. [8]
- Q13. Explain the concept of break even analysis. [8]
- Q14. Define economic development. Distinguish between economic development and economic growth. [2+6]
- Q15. What is meant by international trade? Discuss the importance of international trade for the development of Nepalese economy. [2+6]

Group C: Long Answer Questions (2 x 13 = 26 Marks)

Attempt any TWO questions.

- Q16. Explain law of demand. What are the determinants of demand? [6+7]
- Q17. What are the features of monopolistic competition market? How price and output are determined under monopolistic competition? [3+10]
- Q18. Explain the concept of trade cycle. Discuss the different phases of trade cycle. [6+7]

