

**MASTER OF BUSINESS ADMINISTRATION
EVERONN (MBAEV)**

Term-End Examination

December, 2013

**MCN-037 : MANAGERIAL ECONOMICS
(MICRO AND MACRO)**

Time : 3 hours

Maximum Marks : 100

*Note : Attempt any four of the following five questions.
All questions carry equal marks.*

1. (a) Explain the concept of elasticity of demand. 25
What implication does it have on price setting by a firm ?
(b) Define production function. Bring out the important properties of a production function by taking the Cobb-Douglas production function.

2. What is meant by price discrimination ? Explain 25
how a discriminating monopolist attains equilibrium.

3. What are the objectives of macroeconomic 25
policy ? Explain how fiscal and monetary policies can be geared towards fulfilment of these policy objectives.

4. Distinguish between the following : 25
- (a) Balance of trade and balance of payments
 - (b) IS curve and LM curve
 - (c) Perfect competition and monopolistic competition.
5. Write short notes on **any three** of the following : 25
- (a) Liquidity trap
 - (b) Opportunity cost
 - (c) Margin of safety
 - (d) Measurement of GDP
 - (e) Keynesian cross
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