

00373

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

Term-End Examination

December, 2012

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

Time : 2 hours

Maximum Marks : 70

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

1. What is meant by perfect competition ? How does a firm attain equilibrium in a perfectly competitive market ?

2. Distinguish between the following :
 - (a) Long-run and short-run
 - (b) Gross Domestic Product and Gross National Product
 - (c) Average cost and Marginal cost
 - (d) Monopoly and Monopolistic competition

3. What are the functions of a central bank ? In a situation of rising prices, what type of changes a central bank undertakes in its policy instruments ?

4. (a) Define exchange rate. How is exchange rate determined ?
- (b) Define balance of payment. Does domestic interest rate have a role to play in favourable or unfavourable balance of payment?
5. Write short notes on *any three* of the following :
- (a) Fiscal policy of an economy
- (b) Elasticity of demand
- (c) Normal profit
- (d) Sunk cost
- (e) Price discrimination
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