

**MASTER OF BUSINESS ADMINISTRATION
EVERONN (MBAEV)****Term-End Examination****June, 2013****MCN-037 : MANAGERIAL ECONOMICS
(MICRO AND MACRO)***Time : 2 hours**Maximum Marks : 100**Note : Attempt **any four** of the following **five** questions.*

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1. (a) Explain the concepts of average cost curve and marginal cost curve. 11+14
(b) How does a firm in a perfectly competitive market attain equilibrium ?

 2. (a) What is meant by production function ? 6
(b) Explain the concept of returns to scale. In what respects is it different from economies of scope ? 12
(c) Point out how the shape of average cost curve and returns to scale are related ? 7

 3. (a) Distinguish between : 12
(i) Price elasticity and income elasticity
(ii) Monopolistic competition and perfect competition

- (b) Explain the following concepts : 13
- (i) Investment multiplier
 - (ii) Consumption function
4. Explain through the IS and LM curves how equilibrium of an economy is obtained. 25
5. (a) Maximisation of profits is not the only objective of a firm. Critically examine. 12
- (b) Explain the monetary policy measures taken by the RBI in recent years. 13
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