

This question paper contains 3 printed pages]

Your Roll No.

2872

M.Com./Sem. I (NC)

F

Paper 4102 : Managerial Economics

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt *All* questions.

Each question carries equal marks.

Label figures properly.

1. (a) What are 'unused resources' and how do they lead to growth of the firm ? In the presence of Penrose Effect how does optimum growth take place ? 20

Or

- (b) Explain Lancaster's 'Theory of Attributes'. On the basis of this theory show how demand for consumer durables can be analyzed. 20

P.T.O.

2. (a) Prove that both AC and MC are U-shaped and MC attains the minimum value at a lower level of output compared to AC.

(b) Discuss the three stages of economies and diseconomies of scale. 10,10

Or

(c) Distinguish between product lines, isoclines and expansion path.

(d) With the help of product lines, prove that the presence of increasing returns to scale may not imply the existence of increasing returns to a factor. 10,10

3. (a) Differentiate between Cournot and Stakelberg models of duopoly. Show how neither of them maximizes industry profit. 20

Or

(b) Derive the real LM function and show the impact of nominal money supply on the real LM function. 20

4. (a) Explain the behavior of different types of investors. Derive a money demand function on the basis of such portfolio choice. 20

Or

- (b) Derive the Aggregate supply function with the help of the Phillip's curve. 20

5. (a) Explain Real Business Cycles. What is the impact of Technology on RBC ? 20

Or

- (b) Explain goods market equilibrium in an open economy. 20