Seat No.: ________ Enrolment No.___________

GUJARAT TECHNOLOGICAL UNIVERSITY
MAM - SEMESTER- III EXAMINATION – SUMMER 2015

Subject Code: 4130501 Date: 19/05/2015

Subject Name: Managerial Economics

Time: 02.30 pm to 05:30 pm Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1	(a)	Managerial Economics is the study of all allocation of resources available to a firm or other unit of management among the activities of that unit"-Examine and evaluate this statement.	07
	(b)	What is production possibility frontier? Draw and explain production possibility frontier for an economy that produces cars and computer	07
Q.2	(a)	Write a note on Law of Diminishing Marginal Utility.	07
	(b)	Define equilibrium of a market. Describe the force that moves a market towards its equilibrium.	07
		OR	
	(b)	Draw a Consumer Indifference Curve for milk and idli. Explain the properties of the Indifference curve.	07
Q.3	(a)	What are returns to scale and factors affecting economies of scale?	07
	(b)	Write a note on: producer's equilibrium	07
		OR	
Q.3	(a)	Define total cost, average total cost and marginal cost. How are they related?	07
	(b)	What does market mean? Distinguish between perfect competition and monopoly.	07
Q.4	(a)	Define money and explain the functions and types of money in detail.	07
	(b)	According to the quantity theory of money, What is the effect of an increase in the quantity of money?	07
		OR	
Q.4	(a)	Draw the cost curve for a typical firm. For a given price, Explain how the firm chooses the level of output that maximizes profit	07
	(b)	Write a note on Credit creation	07
Q.5	(a)	What is relative and absolute poverty? Explain different poverty alleviation programmes in India.	07
	(b)	Evaluate New Industrial Policy 1991 with its major provision and its impact on Indian economy	07
		OR	
Q.5	(a)	Why does India have such low Agricultural Productivity?	07
	(b)	Describe the Impact of Population Growth on the Indian Economy	07

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