Seat No.: _____ Enrolment No._____

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA (INTEGRATED) – SEMESTER 04– • EXAMINATION – SUMMER 2017

Subject Code: 4140503 **Date: 29/05/2017**

Subject Name: Micro Economics

Time: 10.30 AM to 1.30 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)**	What is Managerial Economics? Is Managerial Economics a Positive or Normative Science?	**(07)**
	(B)	Define Micro Economics. Differentiate between Micro and Macro Economics.	**(07)**
Q.2	**(A)**	Explain Long -Run Average Cost and features of LAC.	**(07)**
	(B)	Explain Price Elasticity of Demand (PED) and its types with diagram.	**(07)**
		OR	
	(B)	Calculate PED in each of the following cases and comment on each: a. The price of the product falls from Rs. 10 to Rs 8 causing demand to extend from 12500 to 15000 b. Demand contracts from 600 to 400 when prices rise from Rs 50 to Rs 60	**(07)**
Q.3	**(A)**	Define Total Revenue, Average Revenue, Marginal Revenue and explain the relationship between Average Revenue and Marginal Revenue.	**(07)**
	(B)	Write a short note on Money Cost, Opportunity Cost and Real Cost.	**(07)**
		OR	
	(A)	Why is Short-run Average Cost Curve U-shaped?	**(07)**
	(B)	What is the basic economic problem of the society? How can these Problems be solved with the help of market forces?	**(07)**
Q.4	**(A)**	What is the pricing scenario in India since economic reforms of 1991 with reference to automobile sector?	**(07)**
	(B)	Explain the Law of Supply with the help of suitable diagram and also Explain the factors determining the elasticity of supply.	**(07)**
		OR	
	(A)	Explain the circular flow of income with the help of diagram.	**(07)**
	(B)	Explain Internal and external Economies and Dis economies of Scale.	**(07)**
Q.5	**(A)**	Classify the following pairs of goods into the categories of substitutes and complementary products and indicate the nature of their cross price elasticity (whether positive or negative). a.Car and Scooter b.Maruti Car and Padmini Car c.Electricity and Ceiling Fan d.KFC Burger and McDonald Burger	**(07)**
	(B)	Compare the pricing between India and other European Countries, and analyze Which system is better to make the economy more competitive internationally?	**(07)**

OR

Q.5 **(A)** Explain the equilibrium of a firm under perfect competition in short run? **(07)**

(B) Compare and analyze the pricing system between India, Japan and Sri Lanka. **(07)**

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