Seat No.: Enrolment No  GUJARAT TECHNOLOGICAL UNIVERSITY			
M.B.A -Ist SEMESTER-EXAMINATION -JUNE- 2012			
Subject code: 2810002 Date: 08/06/2012			
Subject Name: Economics for Manager (EFM) Time: 02:30 pm - 05:30 pm Total Marks:			70
Instructions:			70
1. Attempt all questions.			
	Make suitable assumptions wherever necessary. Figures to the right indicate full marks.		
3. Q.1	rigu (a)	Explain the shift in the demand curve. List and explain the most important	07
	( )	variables that can shift the demand curve.	
	<b>(b)</b>	Explain, what competitive firm is and under what conditions will a firm shutdown temporarily?	07
Q.2	(a)	Draw the Circular Flow diagram and Explain why an economy's income must	07
	( <b>I</b> -)	equal to its expenditure	07
	<b>(b)</b>	Explain the reason why aggregate demand curve is downward slopping. <b>OR</b>	07
	<b>(b)</b>	What is "Natural" about the natural rate of unemployment? Why might the natural rate of unemployment differ across countries?	07
Q.3	(a)	Define & explain the income elasticity of demand and the cross price elasticity	07
	<b>(b)</b>	of demand with suitable example. What is monopoly? Why monopolies arise?	07
	. ,	OR	
Q.3	(a)	What is CPI? List the steps involved in calculation of CPI. Briefly explain the three problems in measuring the cost of living.	07
	<b>(b)</b>	How change in Govt. purchases influences the aggregate demand of loanable	07
		funds.	
Q.4	(a)	How and why does a firm's average-total-cost curve differ in the short run and	07
	<b>(b)</b>	in the long run? Explain economies of scale and diseconomies of scale.  Define Duopoly and explain collusion and cartel. How and size of an	07
	(D)	oligopoly affects market outcome	U/
		OR	
Q.4	(a)	Why productivity is so important? List and describe the determinants of productivity	07
	<b>(b)</b>	How the Phillips curve is related to the model of aggregate demand and aggregate supply	07
Q.5	(a)	Draw the Marginal Cost and Average Total Cost Curves for a typical firm. Explain why the curves have the shapes that they do and why they cross where	07
	<b>(b)</b>	they do.  Differentiate: Monopolistic Competition and Perfect Competition	07

Q.5

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