JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -3 EXAMINATION- 2023

BBA-I Semester

COURSE CODE (CREDITS): 23BB1HS114 (4) MAX. MARKS: 35

COURSE NAME: Managerial Economics

COURSE INSTRUCTORS: Dr. Amit Srivastava MAX. TIME: 2 Hours

Note: *(a) All questions are compulsory.*

(b) Marks are indicated against each question in square brackets.

(c) The candidate is allowed to make Suitable numeric assumptions wherever required for solving problems

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Write Short Notes on (max 50 words): **[1.5x4=6] (CO1)**

a). Short-run cost
b). Inferior goods
c). Isocost Curve
d). Optimal condition of employment of resources in different market structure

2. "Long-Run cost curve is also called as an Envelope Curve". Discuss. **[4] (CO3)**

3. Briefly discuss meaning and significance of "Economies of Scale"? Examine the impact of economies of scale on entry barriers in an industry. How do large-scale operations affect new entrants? **[5] (CO4)**

4. Discuss the concept of price rigidity in the Kinked Demand Curve Model. How does the model explain why prices may remain stable in oligopolistic markets? Discuss with the help of suitable diagram. **[5] (CO4)**

5. Total product schedule of a firm at different levels of labour employment is given below: Calculate the firm's TVC, TC, AC, AVC and AFC. The wage rate is Rs. 150 per day and total fixed cost is Rs. 1500. **[5] (CO5)**

Labour Employment (Units)	1	2	3	4	5	6	7	8	9	10
Output (Units)	6	12	19	27	45	54	70	82	90	94

6. M/s Rishi Enterprises is enjoying working as a monopolist firm in its category. It is facing demand function as: $P = 150 - 3Q$. Assuming per unit cost of production is Rs 20, what will be profit maximizing price and output and total profit earned? **[5] (CO5)**

7. Harshita Bakery is operating in a long-run perfectly competitive market and cost function as: $TC = 6Q - 0.04Q^2 + 0.003Q^3$. What will be the price and output at most profitable piont and how much profit will it earn? **[5] (CO5)**