

JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -2 EXAMINATION- 2024

BBA-I Semester

COURSE CODE (CREDITS): 23BB1HS114 (4)

MAX. MARKS: 25

COURSE NAME: Managerial Economics

COURSE INSTRUCTORS: Bilal Khan

MAX. TIME: 1 Hour 30 Minutes

Note: All questions are compulsory.

Q. No	Questions	CO	Marks																						
1.	Discuss the concept of 'Indifference Curve' (IC) along with its properties. Explain with the help of a diagram, how consumer equilibrium is attained under the IC approach.	CO2	5																						
2.	Show with the help of diagram, how consumption levels of a consumer are affected by the 'Income Effect' of a price change, assuming that the goods are normal and the price of one of the goods has decreased.	CO2	5																						
3.	Total product schedule of a firm at different levels of labour employment is given below. Calculate the firm's total variable cost (TVC), total cost (TC), average cost (AC), average variable cost (AVC) and average fixed cost (AFC), if wage rate is Rs. 150 per day and total fixed cost is Rs. 2000.	CO3	4																						
	<table border="1"> <thead> <tr> <th>Labour (Units)</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6</th> <th>7</th> <th>8</th> <th>9</th> <th>10</th> </tr> </thead> <tbody> <tr> <th>Output (Q)</th> <td>10</td> <td>15</td> <td>22</td> <td>30</td> <td>50</td> <td>75</td> <td>90</td> <td>102</td> <td>112</td> <td>120</td> </tr> </tbody> </table>	Labour (Units)	1	2	3	4	5	6	7	8	9	10	Output (Q)	10	15	22	30	50	75	90	102	112	120		
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Output (Q)	10	15	22	30	50	75	90	102	112	120															
4.	The Production function of a firm is given as: $Q = LK - 0.2L^2 - 0.8K^2$ Where, L and K are the inputs of labour and capital respectively Assuming $K = 10$; Find: (a) At what value of L , Average Product of Labour (AP_L) and Marginal Product of Labour (MP_L) are equal? (b) At what value of L , the MP_L gets maximized?	CO3	5																						
5.	Distinguish between <i>any three</i> of the following: (a) Cardinal utility and ordinal utility approach (b) Budget Line and Expansion Path (c) Isoquants and Ridge Lines (d) Explicit and Implicit Cost	CO2, CO3	6																						