JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -2 EXAMINATION- 2023

BBA-I Semester

COURSE CODE (CREDITS): 23BB1HS114 (4) MAX. MARKS: 25

COURSE NAME: MANAGERIAL ECONOMICS

COURSE INSTRUCTORS: Dr. Amit Srivastava MAX. TIME: 1 Hour 30 Minutes

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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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1. Write short notes on (max 50 words) **[1.5x4=6] (CO1)**

   a). Cardinal Utility
   b). Law of Supply
   c). Production Function
   d). Total Product of Capital

2. What is the marginal utility theory in economics, and how does it explain the consumer's decision-making process when it comes to purchasing goods and services? Also provide an example to illustrate how marginal utility influences consumer choices? **[4] (CO2)**

3. How does the concept of indifference curves contribute to our understanding of consumer preferences and decision-making in economics? Can you explain the key elements of indifference curves and their role in representing consumer choices? **[4] (CO3)**

4. What is a production function in economics, and how does it describe the relationship between inputs and outputs in the production process? How can Cobb-Douglas production function be applied to analyze different industries or sectors of the economy? **[4] (CO3)**

5. A consumer wants to consume two goods, X and Y, whose prices are Rs 10 and Rs 15 respectively. The income of the cousmer is Rs 200. **[1+2+1=4] (CO4)**
   a). Write down the equation of budget line.
   b). Can the consumer affoard a bundle of "8X + 10Y"?
   c). How much of "Y" can the consumer consume if he spends all his income on it?

6. The Cobb-Douglas Production Function of a firm is given as: $Q = 80\ K^{0.5}\ L^{0.5}$. Assuming, price (and marginal revenue) is equal to Rs 25 per unit. Currently, the firm is operating with 64 units of capital, if the wage rate is Rs 320/- per unit, then how many units of labour should be employed by the firm to operate efficiently. **[3] (CO5)**