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School of Finance and Commerce

**Bachelor of Business Administration in Financial Investment Analysis
Mid Term Examination - Nov 2023**

**Duration : 90 Minutes
Max Marks : 50**

Sem I - H1UA110T - Managerial EconomicsGeneral Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) Outline the Law of Supply and provide an example of a factor that can cause a shift in the supply curve. K2 (2)
- 2) Define price elasticity of demand. How is price elasticity of demand calculated, and what does it indicate about the demand for a good? K1 (3)
- 3) Compare the short-run and long-run production functions, highlighting their differences in terms of inputs and output levels. K2 (4)
- 4) Compare and contrast the concepts of total product, average product, and marginal product. Use relevant numerical examples to illustrate your answer. K2 (6)
- 5) Making use of a production function, explain the law of variable proportions. Also discuss its implications for the production process. K3 (6)
- 6) Making use of government policies, evaluate the impacts such as price controls and subsidies, on market equilibrium, supply, and demand. K3 (9)
- 7) Analyze the circular flow of income and expenditure in a closed economy. Identify the components of the circular flow and explain their interrelationships. K4 (8)
- 8) Analyze the concept of utility and its relationship with consumer choices, considering the concept of total utility and marginal utility. K4 (12)

OR

Analyze the concept of elasticity of demand. Differentiate between price elasticity of demand and income elasticity of demand. Provide examples to illustrate each type of elasticity. K4 (12)