

BE (Chemical)-MBA, Sem-6th
Managerial Economics (1st Periodical)

Max. Marks: 25

Max Time : 1 hour

Note: All questions are compulsory and carry equal marks.

1. What is the relation between total revenue, average revenue , and marginal revenue?
2. Explain the law of variable proportions with its various stages. What are the various assumptions of the law?
3. Using graphical method, explain the equilibrium of a firm under perfect competition in short run.
4. Why does ATC curve reach its lowest point after the AVC curve? Why does the MC curve intersect below the AVC and ATC curves at their minimum points?
5. Why would a perfectly competitive firm earn only normal profit in the long run? Explain with suitable example and graph.