IIHMR UNIVERSITY

School of Rural Management

EXAMINATION CELL IIHMR UNIVERSITY

MBA Rural Management

Batch-05th (2016-2018) First Year

Essentials of Economics for Rural Managers

Term Examination

Time - 3 Hour **MM-70**

Instructions: The question paper contains two parts i.e. Part-A & B. Please answer 7 questions out of 13 from Part-A & 1 question out of 2 from Part-B. The answer should be brief and to the point.

Part-A

7x8=56 Marks

Q. 1. Economics is the study of how societies use scare resources to produce valuable commodities & distribute among different people to maximize the satisfaction. Explain the concept with relevant examples.

Q. 2. Consumer behavior & related indifference curve approach gives an insight on concept of demand for a product. Describe the concept with example.

Q. 3. Supply function is a behavior function for producers. What are the important determinants of "supply" function for a normal economic good and how it influences to attain the market equilibrium?

Q. 4. Change of income level is an important function to create demand for goods and services. What are the important factors affecting income elasticity of a consumer and how the supplier react to the situation to make optimum gain out of it?

Q. 5. What are the basic assumption behind the market structure "Monopolistic Competition"? How the market influences the supplier to attain the market equilibrium prices in the long run?

Q. 6. Market failure is a situation in which the allocation of goods and services is not efficient. What kind of action taken by the appropriate authority to reduce or eliminate the market failures? Explain it with example.

Q. 7. Production function means the functional relationship between inputs and outputs in the process of Production. Explain the concept in relation to fixed and variable inputs in long run perspective.

Q. 8. Cost of production is one of the important component from manufacturer's side to make the product competitive in open market. Explain the concept in the light of cost output relationship in long run.

Q. 9. The economies of scale and scope are two important areas of operation for the manufacturers firm to control the cost of production. Explain these two different economic concepts with relevant examples.

Q. 10. Macroeconomics analyzes all aggregate indicators that influence the economy. Explain two important indicators and their influence on the economy.

Q. 11. How indicators of "Unemployment" status in the economy influence other indicators i.e. consumption, savings and investment in the process of economic development?

Q. 12. The three basic reasons for government intervention in the economy are: a) efficient allocation of resources b) distribution of income & c) stabilization of macroeconomic variables. Explain the role of Central Government to maintain the economic stability in the country with reference to India.

Q. 13. Explain the different role played by the Central Bank in close consultation with the government of a country to control money market in the economy? What measures taken by the Central Bank to neutralize recession in the economy.

Part-B

1x14=14 Marks

A. Economic Development means qualitative and quantitative changes in the economy. What are important economic and social indicators to be considered to understand the status of the economy?

B. What are the major issues and concern of Rural Economy in India? Describe one flagship program of Govt. of India to reduce the seasonal unemployment of labour in rural economy.