

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

**Course: Managerial Economics
Semester- II (Batch: 2020-25)**

End Semester Online Examination: July-August 2021

Date: 07th August, 2021

Duration: 8 hours

Max. Marks: 50

Instructions:

- The respective marks for each question are indicated in-line.
- Indicate correct question numbers in front of the answer.
- No questions or clarification can be sought during the exam period, answer as it is, giving reason, if any.

You are required to answer the problems as a phenomenon and substantiate additional facts and evidence from the conceptual world and measurement world (wherever possible). Also, support your analysis with strong arguments, reasoning, rationale and/or examples. You may take aid of chart, table, diagram and/or figure wherever necessary. You can cite the references in the Bluebook: A Uniform System of Citation (2015, 20th ed.).

Marks

Word limit for each 6/8 marks is approximately 250-350 words & \pm 25 words and 4 marks is approximately 150-250 words & \pm 25 words

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| Q.1 | <p>a) As a Protagonist, what would be your decision in the LCA case? Analyze the above situation as a phenomenon, take/make the decision by providing facts and evidence from the conceptual world and measurement world. You are required to substantiate additional facts and evidence from the LCA case and you are required to use relevant concepts of 'Managerial Economics'.</p> <p>b) Suppose you want to propose a research study on the broad theme of 'Law & Managerial Economics: Contemporary Issues and Challenges'. What will be the specific title of your study? Discuss in detail the phenomenon world, conceptual world and measurement world of your research study. You are required to use relevant concepts of 'Managerial Economics'.</p> | (6+8=
14) |
| Q.2 | <p>a) Discuss in detail regulation of Monopoly through marginal cost price and average cost price. Explain the problem of regulating Natural Monopoly through marginal cost pricing.</p> <p>b) Discuss the application of the Prisoner's Dilemma/Simple Game Theory in any one issue or subject matter of 'COVID-19 Pandemic' or 'Law & Managerial Economics'. Explain the relevance of Game Theory to COVID pandemic.</p> | (6x2=
12) |
| Q.3 | <p>a) Suppose Rs.100 tax is levied on every 1000 kilogram bag of mangoes a farmer produces and the impact of the tax is on the producer (farmer). If the mangoes demand is perfectly inelastic and the supply curve is normal (unitary elastic), then: What will be the incidence of taxation on farmer (producer) and/or consumer? Discuss the principle of incidence of taxation in the backdrop of COVID-19 pandemic.</p> | (4x3=
12) |

- b) In case of minimum support price (MSP), can good news for farming be good news for farmers? Explain.
- c) The price of vaccines in the private sector ranges from Rs 700-900 for Covishield and Rs 1250-1500 for Covaxin. On the other hand, both vaccines are freely available in Primary Health Centres (PHCs) and Community Health Centres (CHCs) depending upon vaccine availability/stock. Based on above details, describe the underline principles of Demand, Supply and Government Policies.

- Q.4 a) In 2010, many towns around Boston found themselves without drinking tap water. Explain this case briefly with the perspective of Government Intervention. What is your take on market forces versus Government Intervention? Suppose you represent socialist view approach, what will be your counter argument to market forces and how can the system work more efficiently in the socialist set-up? Explain. (6x2= 12)
- b) How does the law of diminishing marginal utility vary from the law of equi-marginal utility? Discuss the relevance of both utility theories during COVID-19 pandemic.
