

**GUJARAT NATIONAL LAW UNIVERSITY**  
**GANDHINAGAR**  
 Course: **Managerial Economics**  
**Semester- II (Batch: 2019-24)**

**End Semester Online Examination: February 2021**

**Date: 10<sup>th</sup> February, 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.

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- 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, 20<sup>th</sup> ed.). **Marks**
- (Word limit for each 12 marks question without citation is approximately 500-700 words &  $\pm$  50 words and 6/8 marks is approximately 250-350 words &  $\pm$  25 words).
- Q.1 a) Discuss the Minimum Support Price (MSP) and Fair Price (public distribution system) in the context of Demand, Supply and Government Policies. Describe the underline principles of economics based on Minimum Support Price (MSP) and Fair Price. (6x2=12)
- b) Discuss the overall cost-benefit analysis of implementing MSP and Fair Price. Also, discuss an alternative innovative model proposed by you to remodel the Minimum Support Price (MSP) and Fair Price (public distribution system). You are required to use relevant 'managerial economics' principles.
- Q.2 The Government enforced lockdown and COVID-19 protocol to combat the COVID-19 pandemic. Similarly, Gujarat government increased the fine for breaching the lockdown or COVID-19 protocol, as well as not wearing mask in public places. (12)
- Discuss the above phenomenon with help of 'Ten Principles of Economics' and other relevant managerial economics concepts. What alternative measures you propose for effectively imposing lockdown and COVID-19 protocol? (You discuss only those principles which are relevant for the above phenomenon.)
- Q.3 a) Whether the law of demand prevail in the cases of 'Inferior Good' and 'Giffen Good'? Explain the above problem with the help of price effect, income effect and substitution effect. You are required to apply the Hicksian Method. (6 Marks) (6+8=14)
- b) Suppose you want to propose a research study in the broad theme of 'Law & Managerial Economics' or 'COVID-19 & Managerial Economics'. 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'. (8 Marks)

- Q.4
- a) Discuss the price discrimination of first degree, second degree and third degree during Covid-19 pandemic. (6x2=12)
  - b) Discuss the application of the Prisoner's Dilemma/Simple Game Theory in any one issue or subject matter of COVID-19 emergency. You can make hypothetical situation/setting to explain the above concept and phenomenon.

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