

BUSINESS ECONOMICS

New Syllabus- 2065

Course No.: ECO 503

Nature of the Course: Core

Duration of the Course: 100 lecture hours

Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

COURSE CONTENTS

Group A: Managerial Economics

Unit 1. Introduction to Managerial Economics LH 6

(a) Meaning, feature and scope of managerial economics (b) Survey of theories of the firm: Profit maximization, value maximization, sales maximization, theory of satisfying, Williamson's model of managerial discretion, Cyert and March's Behavioral theory (c) Nature and functions of profit: business versus economic profit, functions of profit.

Unit 2. Business and Economics Forecasting LH 14

(a) Elasticity of demand: Computation of price, income, cross and advertising elasticity and their uses in managerial decision making. (b) Concept and purpose of forecasting. (c) Steps in demand forecasting (d) Forecasting techniques; Survey techniques; Market studies and experiment; Time series analysis, regression analysis; barometric techniques; Concept of input-output analysis (e) Limitations of forecasting

Unit 3. Production Theory LH 9

(a) Production function (b) Production with one variable input-optimal use of an input (c) Production with two variable inputs- optimal combination of inputs (d) Returns to scale (e) Economies of scope.

Unit 4. Pricing Theory and Practices LH 13

(a) Pricing under oligopoly: Cartel/Collusion arrangement, Price leadership, kinked demand curve model. (b) Strategic Behaviour and game theory: Meaning and importance, payoff matrix, Nash equilibrium, prisoner's dilemma (c) Pricing practices: Pricing under different objectives; Cost-plus pricing. Incremental cost pricing. Multiple product pricing. Transfer pricing. Peak-load pricing, and two-part tariff.

Unit 5. Investment Decision LH 8

(a) Meaning and factors influencing investment decisions (b) Risk Analysis: Risk and uncertainty in managerial decision making, measuring risk with probability distribution, utility theory and risk aversion.

Group B: Economic Policy Analysis

Unit 1. Introduction to Public Policy Analysis LH 4

(a) Meaning, characteristics and stages of public policy, (b) Theory of public choice (c) Use of public policy in managerial decision making

Unit 2. Role of Government in the Economy LH 9

(a) Regulatory and promotional roles: Rationale for regulation and role in promoting private business (b) Government response to market failures: Meaning, types and sources of market failure (c) Regulatory response to structural failure: (i) Public utility regulation (ii) Regulation of monopoly (iii) Antitrust policy (d) Regulatory response to incentive failure: (i) Patent system (ii) Subsidy (iii) Operating controls (iv) Regulation of environmental pollution

Unit 3. Macro Economic Concept and Policies LH 13

(a) Keynesianism vs. Monetarism, (b) Saving-investment theory, (c) Acceleration theory, (d) Super Multiplier (e) National income: Concept, measurement and difficulties. (f) Macroeconomic problems: Business cycle; Inflation (causes and effects) (g) Macroeconomic policy: Policy goals and policy tools (Monetary policy, Fiscal policy, Incomes policy)

Unit 4. Nepalese Economy**LH 14**

(a) Overview of Nepalese economy, (b) Economic Planning: Need of planning, Review of planning in Nepal, Appraisal of current plan, (c) Economic liberalization and policy reforms, (d) Privatization and Entrepreneurial freedom, (e) Globalization and its effects (f) Foreign capital: Role, defects and situation in Nepal (g) Government budget: Components of budget, classification of expenditure of the government of Nepal, budgetary position of the government of Nepal.

Unit 5. Public Policies in Nepal**LH15**

(a) Industrial policy, (b) Commercial policy, (c) Foreign Investment policy, (d) Tourism policy, (e) Agricultural policy, (f) Environment policy, (g) Privatization policy (h) Fiscal policy (i) Monetary policy (j) Employment policy

Basic References

- Dunn, W.N. (1994). **Public Policy Analysis: An introduction**. N.J.: Englewood Cliffs, Prentice Hall.
- Peppas, J.L. and Hirschey, M. (1989). **Fundamentals of Managerial Economics**. New York: The Dryden Preks.
- Salvatore, D. (1996). **Managerial Economics**. New York : McGraw Hill Inc.
- Salvatore, D. (2004). **Managerial Economics in a Global Economy**. New York: Thomson Learning.
- Shapiro, E. (1982). **Macroeconomic Analysis**. New York: Harcourt Brace Jovanovich, Inc.

Supplementary Readings

- Joshi, S. (2009). **Economic Policy Analysis**. Kathmandu: Taleju Prakashan.
- Joshi, S. (2009). **Managerial Economics**. Kathmandu: Taleju Prakashan.
- Mansfield, E. (1996). **Managerial Economics**. New York: W.W. Norton and Co.
- McCarthy, M.H. (2004). **Managerial Economics with Applications**. Illinois: Scott Foreman and Company.
- Ministry of Finance/GON. **Budget Speech**. (Recent)
- Ministry of Finance/GON. **Economic Survey**. (Recent)
- National Planning Commission. **Current Plan**.
- Nepal Rastra Bank. **Economic Report**. (Recent)
- Petersen, H.C. and Lewis, W.C. (2008). **Managerial Economics**. New Delhi: Pearson Education Ltd.
- Petersen, H.C. and Lewis, W.C. (1994). **Managerial Economics**. New York: Macmillan Publishing Company.
- Reejal, P. (2003). **Fundamental of Public Policy Analysis**. Kathmandu: I. Reejal.
- Shojai, S. (2004). **Managerial Economics**. New York: McGraw Hill Inc.

New Model Questions- 2066

Time: 4 hrs.

Full Marks: 100

Group A - Managerial Economics**(Short Answer Questions)**

Attempt any THREE questions.

[3 × 10 = 30]

1. Explain and illustrate the profit maximization theory of the firm.
2. What is meant by advertising elasticity? Explain with the help of numerical illustration how advertising elasticity is computed.
3. Describe the concept of decreasing return to scale and point out the causes of its operation.
4. Explain the meaning and importance of game theory to a business firm.
5. How does the risk differ from uncertainty? How is risk measured with probability distribution?

(Comprehensive Answer Questions)**Attempt any ONE question.****[20]**

6. Suppose Modern Apparel Industry produces pant and shirt jointly in equal quantity. The total cost function of the industry is:

$$TC = 100 + Q + 4Q^2$$

where Q is the number of units of output. Each unit consists of one unit of pant (P) and one unit of shirt (S). The demand function of two produces are:

$$P_P = 150 - Q_P$$

$$P_S = 100 - 2Q_S$$

where P_P and Q_S are the price and output of pant and P_S and Q_S are the price and output of shirt. How much should the industry produce of pant and shirt per period and how much price of each should be set up?

7. Explain the purposes of demand forecasting by business firms. Can business firms fully rely on demand forecasting for making their production decision?

Group B: Economic Policy Analysis**(Short Answer Question)****Attempt any THREE questions.****[3 × 10 = 30]**

8. Explain the characteristics of public policy.
 9. How privatization helps in the promotion of private enterprises? Explain.
 10. What are the major benefits of globalization for a country like Nepal?
 11. Explain the monetary instruments usually employed by the central bank to control inflation.
 12. Briefly describe the major provisions of current foreign investment policy of the government of Nepal.

(Comprehensive Answer Questions)**Attempt any ONE question.****[20]**

13. What is the rationale for regulating monopoly firms? Explain with the help of diagrams how monopoly firms are regulated.
 14. Explain and illustrate the Acceleration Theory. Does this theory always hold good?

Group A: MANAGERIAL ECONOMICS**1. INTRODUCTION TO MANAGERIAL ECONOMICS****SHORT ANSWER QUESTIONS****1. 2071 Q.No. 1**

Explain the features of managerial economics.

[10]**2. 2070 Q.No. 1**

"Managerial economics is an application of economic theories and tools of decision science in solving business problems." Explain the statement.

[10]**3. 2070 Old Q.No. 1**

Discuss the characteristics of managerial economics.

[8]**4. 2069 Q.No. 1**

Define managerial economics and discuss its scope.

[10]**5. 2068 (Old) Q.No. 1**

"Managerial economics is the integration of economic theory with business practice for the purpose of facilitating decision-making and forward planning by management." Elucidate the above statement.

[8]**6. 2067 (II) (Old) Q.No. 1**

Point out the difference between managerial economics and traditional economics.

[8]**7. 2066 (I) Q.No. 1**

"Managerial economics provides the link between traditional economics and decision sciences in managerial decision-making." Elucidate.

[10]

8. 2065 (I) Q.No. 1

Explain how managerial economics bridges a gap between economic theories and business practice. [8]

9. 2065 (II) Q.No. 1

Explain the factors influencing managerial decisions. [8]

10. 2064 Q.No. 1

Discuss the main characteristics of managerial economics. [8]

11. 2063 Q.No. 1

'Managerial economics is an application of economic theories and tools of decision science in solving business problems.' Explain the statement. [8]

12. 2062 Q.No. 1

"Although various factor influence managerial decision-making, the economic factor is the dominant one." Explain. [8]

13. 2061 Q.No. 1

Define managerial economics. How managerial economics provides the link between traditional economics and decision sciences in managerial decision-making? [8]

14. 2060 Q.No. 1

What factors should be considered by a firm while making managerial decisions? [8]

15. 2059 Q.No. 1

Explain the uses of Managerial Economics in business decision-making. [8]

16. 2058 Q.No. 1

Show the relationship of managerial economics with traditional economics. [8]

OBJECTIVE/SURVEY ON THEORIES OF THE FIRM**SHORT ANSWER QUESTIONS****1. 2070 Old Q.No. 2**

Do you think that profit maximization model is the ideal model to explain the behaviour of a firm? Give reasons. [8]

2. 2068 Q.No. 1

Describe the difference between accounting concept of profit and economic concept of profit. Which one is more useful for the firm? [10]

3. 2068 (Old) Q.No. 2

Summarise main arguments for and against profit maximisation model. [8]

4. 2067 (I) Q.No. 1

Do you think that profit-maximization model is the ideal model to explain the behaviour of a firm? Give reasons. [10]

5. 2067 (II) Q.No. 1

"Profit maximization is not always the sole objective of a firm." Elucidate. [10]

6. 2066 (II) Q. No. 1

Is the goal of profit maximization in conflict with the goal of sales maximization? Explain fully. [10]

7. 2065 (I) Q.No. 2

"Firms aim at Sales Revenue Maximization with and without profit constraint." Explain. [8]

8. 2064 Q.No. 2

Describe the value maximization theory of the firm. [8]

9. 2063 Q.No. 2

Explain the Cyert and March Theory of the Firm. [8]

10. 2062 Q.No. 2

Why Simon opines that firms aim at satisfying rather than 'maximizing'? [8]

11. 2058 Q.No. 3

Is there any difference between Simon's theory of the firm and Cyert's and March's theory of firm? Give reasons to your answer. [8]

COMPREHENSIVE ANSWER QUESTIONS**12. 2068 Q.No. 7**

Examine critically profit maximization as the objective of business firms. What are the alternative objectives of business firm? Explain. [20]

13. 2067 (II) (Old) Q.No. 7

How Williamson has explained self interest seeking behaviour of the corporate managers? Is his model different from profit maximization model? Explain. [16]

14. 2061 Q.No. 6

"Profit maximization is the most accurate description of managerial goal." In the light of this statement explain how the firm tries to maximize its profit. [16]

15. 2060 Q.No. 6

"Modern oligopolistic firms typically seek to maximize their sales subject to minimum profit constraints." Discuss. [16]

16. 2057 Q.No. 6

Critically explain the value maximization objective of a firm. [16]

NUMERICAL PROBLEMS**17. 2070 Q.No. 6**

Demand and cost function faced by a firm is given as follows:

$$P = 12 - 0.4Q$$

$$TC = 5 + 4Q + 0.6Q^2$$

Find the equilibrium price and quantity under following condition.

- ① Profit maximization
- ② Sales revenue maximization
- ③ Sales maximization with profit constraint Rs. 10.

Ans: ① Rs. 10.4 and 4 units; ② Rs. 6 and 15 units ③ Rs. 10 and 5 units [20]

18. 2069 Q.No. 6

The demand curve for a firm's product is given by an equation.

$$Q = 28 - 0.5P \text{ while the cost function is } TC = 50 + 2Q + 0.25Q^2$$

- ① Solve for profit maximization level of output.
- ② What is the optimal price and maximum profit level?
- ③ Find the equilibrium price, quantity, level of profit under sales revenue maximization also.

Ans: ① 12 units ② Rs. 32 and Rs. 274 ③ Rs. 28; 14 units and Rs. 265 [20]

19. 2066 (I) Q.No. 6

Tejaswini, a fashion designer, working as a manager of a Boutique for Rs. 120,000 per year wants to start her own business by investing her own money of Rs. 400,000 on which she could earn 10 percent interest if deposited in a bank. Her estimated revenue during the first year of operation is Rs. 300,000 and costs are - salaries to employee Rs. 90,000; supplies Rs.30,000; rent Rs.20,000 and utilities Rs.2,000. [20]

- a. What is the business profit?
- b. What is the economic profit?
- c. If she seeks your advice on whether to stay the business or not what will be your advice and why?
- d. What will be your advice if she could earn only 2 percent interest on her own money if deposited in a bank?

Ans: (a) Rs. 158,000 (b) -Rs. 2,000 (c) quit the business
(d) She earns economic profit and then she continues her business.

20. 2062 Q.No. 7

Tamakoshi Electronics Limited has following demand and cost functions:

$$P = 2000 - 10Q \text{ (demand function)}$$

$$C = 1000 + 200Q \text{ (cost function)}$$

Calculate the price, P ; output, Q ; total profit, π ; and total revenue, R of the firm under the objective of

- Profit maximization
 - Sales revenue maximization, and
 - Sales revenue maximization subject to a profit constraint of Rs. 79,500. [16]
- Ans: (a) 1,100; 90; 80,000; 99,000 (b) 1,000; 100; 79,500; 100,000 (c) 1,029.3; 97.07; 97086.15

21. 2057 Q.No. 7

Surya Carpet Ltd. has following demand and cost function.

$$P = 20 - Q \text{ (demand function)}$$

$$C = Q^2 + 8Q + 2 \text{ (Cost function)}$$

Find the price and total profit of this company under the objective of

- Profit maximization
- Sales revenue maximization and
- Sales revenue maximization with a profit constraint of Rs. 8 [16]

Ans: (a) 3, 17, 16.51 (b) 10, 10, Loss 82, 100 (c) 5, 15.75

MBA

22. 2051 Q.No. 4

ABC Company has following demand and cost functions:

$$P = 25 - 0.5 Q \text{ (Demand function)}$$

$$C = 1.5 Q^2 + 5 Q + 10 \text{ (Cost function)}$$

Where, Q = Quantity in thousand of unit; P = Price in Rs.; C = Total cost

Find the price and total profit of this company under the objectives of:

- Profit maximization
- Sales revenue maximization, and
- Sales revenue maximization with a profit constraint of Rs. 22 (thousand) [10]

Ans: (a) 22.5; 40 (b) 125; Loss 760 (c) 21

NATURE AND FUNCTIONS OF PROFIT

SHORT ANSWER QUESTIONS

1. 2067 (II) (Old) Q.No. 4

Why firms aim at limited profit? Explain. [8]

2. 2065 (I) Q.No. 5

Explain the criteria for setting the level of profit standard. [8]

3. 2065 (II) Q.No. 4

Describe the differences between accounting concept of profit and economic concept of profit. Which one is more useful for the firm? [8]

4. 2064 Q.No. 5

Show the differences between accounting profit and economic profit. [8]

5. 2063 Q.No. 4

Explain why the firms aim at limited profit. [8]

6. 2062 Q.No. 4

Explain various criteria of setting standard of reasonable profit. [8]

7. 2060 Q.No. 4

Explain the criterion of setting the standard of reasonable profit. [8]

8. 2059 Q.No. 5

Explain how economic profit is calculated. [8]

9. 2058 Q.No. 4

"The concept of economic and accounting profit leads to two different decisions" Do you agree? Give your reasons. [8]

10. 2057 Q.No. 4

How does the concept of economic profit lead to rational decision-making? Explain. [8]

2. BUSINESS AND ECONOMICS FORECASTING

SHORT ANSWER QUESTIONS

1. **2071 Q.No. 2**
How does price elasticity of demand help in business decision making? Explain with suitable example. [10]
2. **2070 Q.No. 2**
What is meant by forecasting? Outline the various steps which would be necessary if you have to forecast the demand for a new product. [10]
3. **2070 Old Q.No. 3**
Explain the importance of cross elasticity of demand in business decision making. [8]
4. **2069 Q.No. 2**
Analyze the various uses of price elasticity of demand in managerial decision making. [10]
5. **2068 Q.No. 2**
Explain about the necessary steps in demand forecasting. [10]
6. **2068 (Old) Q.No. 3**
Why is demand analysis important for business firms? Explain. [8]
7. **2067 (I) Q.No. 2**
Explain the importance of price elasticity of demand in business decision making. [10]
8. **2067 (II) Q.No. 2**
Critically examine the barometric method of demand forecasting. [10]
9. **2067 (II) (Old) Q.No. 2**
How price elasticity of demand is useful in managerial decision making? [8]
10. **2067 (II) (Old) Q.No. 3**
Explain the criteria of good forecasting methods. [8]
11. **2066 (I) Q.No. 2**
Describe the merits and shortcomings of test marketing as a method of demand forecasting. [10]
12. **2066 (II) Q. No. 2**
What is advertising elasticity of demand? Explain with suitable examples. [10]
13. **2066 (II) Q. No. 3**
Despite its pitfalls forecasting is indispensable to a business firm. Discuss the importance of forecasting in the light of this statement. [10]
14. **2065 (II) Q.No. 2**
Explain the relationship of price elasticity of demand with total revenue and marginal revenue. [8]
15. **2064 Q.No. 4**
Explain the use of price elasticity of demand in managerial decision making. [8]
16. **2062 Q.No. 3**
Explain the merits and limitations of market studies and experimentation as method of demand forecasting. [8]
17. **2061 Q.No. 2**
Explain the significance of cross elasticity in business decision-making. [8]
18. **2061 Q.No. 3**
How is expert's opinion survey different from the survey of sales forces? Explain the merits and limitations of these survey methods of demand forecasting. [8]
19. **2059 Q.No. 2**
Explain the relationship of price elasticity with total revenue and marginal revenue. [8]
20. **2057 Q.No. 1**
Analyze the various use of price elasticity of demand in business decision. [8]

21. 2057 Q.No. 2

Explain the barometric technique of demand forecasting.

[8]

COMPREHENSIVE ANSWER QUESTIONS**22. 2068 (Old) Q.No. 6**

You are appointed as a business manager of a reputed cotton textile manufacturing company producing shirts. You are asked by your CEO to forecast the demand for cotton shirts in Kathmandu Valley. Explain the various steps you would follow in forecasting. [16]

23. 2067 (I) Q.No. 6

Consider a firm that it wants to enter the mobile phone industry in Nepal. Which are the techniques (subjective and / or qualitative) that it can apply to forecast demand for its mobile? [20]

24. 2063 Q.No. 7

Explain with the aid of numerical illustration the most suitable method to forecast the demand for basic necessities. [16]

25. 2060 Q.No. 7

Explain the process of demand forecasting by time series analysis. What are the merits and limitations of this method? [8+8]

26. 2059 Q.No. 6

Discuss the various methods of demand forecasting. Suggest an appropriate method of forecast demand of mass consumption product. [16]

NUMERICAL QUESTIONS**27. 2071 Q.No. 6**

Sales of tickets of ABC Airlines Company for different years are given below:

Years	2009	2010	2011	2012	2013	2014
Sales (in '000)	12	15	13	18	14	15

- Find equation of trend line of sales of ticket of ABC Airlines Company using least square method and interpret the result. [10]
- Plot the sales and trend line in graph. [5]
- Forecast sales for years 2015, 2017 and 2018 algebraically and graphically. [5]

Ans: (a) $Y = 12.8 + 0.486X$ (c) 16,202 units, 17,174 units, 17,680 units

28. 2070 Old Q.No. 6

Sita Garment Manufactures and sells shirts management believes that price elasticity of demand is 3.0. Currently shirts are priced at Rs. 500 and quantity demanded is 10,000 per month.

- If price increased to Rs. 600, how many shirts will the company able to sell each month?
- How much total revenue change as a result of price increase?
- Explain whether the increase in price is a good decision or not on the basis of total revenue findings.

Ans: (i) 4,000 units (ii) revenue decreased by Rs. 26,00,000 (iii) Not good decision

29. 2067 (II) (Old) Q.No. 6

You are appointed the marketing director of International Computers Ltd. The annual sales of the company during the last seven years were as follows:

Year	2001	2002	2003	2004	2005	2006	2007
Sales (in Million Rs.):	20	25	30	32	33	35	40

Based on the data you are asked by the company to predict, and also interpret the sales for the years 2008, 2010 and 2012. [16]

30. 2065 (I) Q.No. 7

Suppose Tribhuvan University decides to raise the tuition fee from Rs. 3000 per annum to Rs. 4000 per annum of MBS I year students. The number of students getting admission is 5000. The price elasticity of demand for the students is 0.2.

- Find out the number of students getting admission after the increase in tuition fee.
- Find out the total revenue before and after the increase in tuition fee.
- Explain whether the increase in tuition fee is a wise decision or not on the basis of total revenue findings. [16]

Ans: (a) 4,722 (approx) (b) Rs. 1,50,00,000; Rs. 1,88,88,000 and Rs. 38,88,000 (c) Yes

31. 2065 (II) Q.No. 6

A manufacturing organization has the following sales record: [16]

Year	2002	2003	2004	2005	2006	2007	2008
Sales in million	17	20	22	20	23	24	30

- Find out the trend line using least square equation.
- Forecast the sales for 2010, 2012 and 2015.
- Interpret the sales forecast.

Ans: (a) $y = 22.285 + 1.714x$ (b) Rs. 30.855 million; Rs. 34.283 million and Rs. 39.425 million
(c) Due to increase on the no. of years, sales also increased by 1.714

32. 2064 Q.No. 6

A television assembling company in Kathmandu wants to know the likely sales of television sets in future. The past sales of the television sets for seven years are

Year	1999	2001	2002	2003	2004	2005	2006
Sales (in 000)	20	28	30	25	35	40	50

Forecast the demand for 2007, 2008 and 2009. [16]

Ans: $y = 33.11 + 3.775X$; 48.21; 51.985; 55.76

33. 2058 Q.No. 6

The management of XYZ Company is interested in knowing its likely sales next year so that its production can be following sales data.

Year	1995	1996	1997	1998	1999	2000
Sales (in million)	20	30	25	20	40	35

Forecast the sales for 2001.

Ans: $y = 28.33 + 2.8572$; 38.3295 million

3. PRODUCTION THEORY

THEORETICAL QUESTIONS

SHORT ANSWER QUESTIONS

1. 2071 Q.No. 3

What is production function? Determine optimum level of labor for a profit maximizing firm keeping other factors constant. [10]

2. 2070 Q.No. 3

Explain and illustrate the concept of increasing returns to scale. [10]

3. 2070 Old Q.No. 4

Explain how a firm makes decision in regard to the optimum employment of an input. [8]

4. 2069 Q.No. 3

How the decision regarding optimal employment of two inputs is made? Explain. [10]

5. 2068 Q.No. 3

Describe the concept of increasing returns to scale. Point out the causes of its operation. [10]

6. 2067 (I) Q.No. 3

Define production function. Explain how does a firm make optimal use of an input. [10]

7. 2067 (II) Q.No. 4

If a firm wants to minimize cost of producing given quantity of output what combination of labour and capital should it select? Explain. [10]

8. 2066 (I) Q.No. 3

If a firm wants to maximize output for a given cost what combination of labour and capital should it select? Explain. [10]

9. 2065 (I) Q.No. 3

What do you understand by economics of scope? How is it measured? [8]

10. 2065 (II) Q.No. 5

Explain the laws of returns to scale with illustrations. [8]

11. 2063 Q.No. 3

Given the level of expenditure how the firm can produce maximum output? Explain with the help of ISO- Cost Curve and ISO- Quant curve. [8]

12. 2060 Q.No. 2

How is the decision regarding optimal employment of two inputs is made? Explain. [8]

13. 2059 Q.No. 3

Explain and illustrate the concept of economics of scope. [8]

14. 2058 Q.No. 2

What does the production function with one variable input tries to explain in production theory. Explain. [8]

15. 2057 Q.No. 3

Explain how do you determine the optimal employment of one variable input. [8]

COMPREHENSIVE ANSWER QUESTIONS**16. 2066 (II) Q. No. 6**

Explain the concept of returns to scale. Illustrate different types of returns to scale with the help of isoquants. [20]

17. 2065 (I) Q.No. 6

Explain the concept of optimal employment of an input. How the firm employs an input to maximize the profit? [16]

18. 2062 Q.No. 6

Explain and illustrate how a firm makes decision regarding optimal employment of two inputs (maximize the quantity of output and minimize the cost of product). [16]

NUMERICAL QUESTIONS**19. 2061 Q.No. 7**

Solve the following:

- Shristi Garment Industries produces 500 cotton shirts and 250 cotton jackets per year. The total cost is Rs 25000. If the industry produced 500 shirts only the cost would be Rs 18000. If the industry produced 250 jackets only, the cost would be Rs 12000.
 - Calculate the degree of economies of scope.
 - Why the economics of scope exist? [8]
- Suppose Astha Corporation with fixed quantity of plant and equipment produces gas lighter. The relation between number of lighter to be produced each day Q and number of labour to be used each day is

$$Q = 98L - 3L^2$$

The corporation can sell the lighter at the price 30 per unit that is its Marginal Revenue will equal to Rs. 30. It can hire whatever labour it wants at Rs. 60 per day.

Required:

- How much labour should the corporation employ each day so as to maximize its profit?
- Distinguish between marginal revenue product and marginal expenditure. [8]

Ans: a (i) 0.20 (b) (i) 16

4. PRICING THEORY AND PRACTICES

THEORETICAL QUESTIONS

SHORT ANSWER QUESTIONS

1. 2071 Q.No. 4

Explain the Nash equilibrium in game theory with suitable example. [10]

2. 2070 Q.No. 4

How do you explain the Prisoner's dilemma in game theory? [10]

3. 2069 Q.No. 4

Discuss price and output determination under peak-load pricing. [10]

4. 2068 Q.No. 4

What is Nash equilibrium? Explain. [10]

5. 2068 (Old) Q.No. 4

What is a cartel? How is the price determined by a cartel? [8]

6. 2067 (I) Q.No. 4

To what extent the Kinked demand curve help in explaining price rigidity under oligopoly? [10]

7. 2067 (II) Q.No. 3

Describe the cost plus pricing method. What are the weaknesses of this method? [10]

8. 2066 (I) Q.No. 4

Examine the concept and significance of peak-load pricing technique. [10]

9. 2066 (II) Q.No. 4

What is cost-plus pricing? How is price of a firm determined under it? [10]

10. 2065 (I) Q.No. 4

Evaluate the incremental cost pricing method. [8]

11. 2065 (II) Q.No. 3

Explain with example the cost plus pricing method. [8]

12. 2064 Q.No. 3

Explain with the help of numerical illustration the concept of incremental pricing. [8]

13. 2061 Q.No. 4

Explain the major pricing objectives of a firm. [8]

14. 2060 Q.No. 3

Explain the concept of incremental pricing. [8]

15. 2059 Q.No. 4

Discuss the process of pricing under Cartel model. [8]

COMPREHENSIVE ANSWER QUESTIONS

16. 2071 Q.No. 7

"Development of behavioural theories of firm does not decrease the significance of traditional profit maximization objective of firm." Show your agreement or disagreement on this argument with proper explanation. [20]

17. 2070 Q.No. 7

How the firm determines the best level of output and price for products that are jointly produced in fixed proportion? Explain. [20]

18. 2070 Old Q.No. 7

State the main characteristics of oligopoly, and explain price and output determination under oligopoly with kinked demand curve. [16]

19. 2069 Q.No. 7

What is meant by Cartel arrangement? How price and output are determined under Cartel arrangement? [20]

20. 2067 (II) Q.No. 7

Examine the two-part tariff pricing technique. Why is this technique popular among some business firms? [20]

21. 2066 (I) Q.No. 7

What is meant by cartel arrangement? How price and output are determined under cartel arrangement? Explain. [20]

22. 2065 (II) Q.No. 7

"Price rigidity in the oligopoly market is best explained by the kinked demand curve." Explain the statement with diagram. [16]

23. 2064 Q.No. 7

Explain how the firm determines the best level of output and price for products that are jointly produced in fixed proportion. [16]

24. 2058 Q.No. 7

The firm produces multiple products X and Y. How the firm determines the optimum output and price of X and Y products when they are produced in fixed proportions? [16]

NUMERICAL QUESTIONS**25. 2068 Q.No. 6**

The market demand for Dairy Development Corporation is given by

$$P = 1,000 - 10Q$$

the industry consists of one large firm, which acts as a price leader, and two small firms which act as followers. The summed marginal cost equation for small firms is

$$\Sigma MC_F = 2.5Q_F$$

The large firm's marginal cost equation is

$$MC_L = 1Q_L$$

If the objective is to maximize profit.

- What price will be dominant firm charge?
- What price will the two smaller firms charge?
- What will be the market share of large firm?

[20]
Ans: (i) 519.25 (ii) 519.25 (iii) 39 units

26. 2068 (Old) Q.No. 7

The market supply and demand equations are given as:

$$Q_S = 20,000 + 30P, \text{ and } Q_D = 40,000 - 20P$$

On the basis of above information, answer the following questions:

- What are the necessary conditions of equilibrium?
- Determine the price and quantity.

[16]
Ans: Price = Rs. 400; Quantity = 32,000 units

27. 2067 (I) Q.No. 7

Suppose a firm produces sliced Pineapple and Pineapple juice jointly in equal quantity. The total cost function of firm is

$$TC = 500 + 5Q + 2Q^2$$

Where Q is the number of units of output consisting of one unit of Pineapple slice and one unit of Pineapple juice.

Demand function of the two products are

$$P_s = 395 - Q_s \quad P_j = 100 - 0.5Q_j$$

Where, P_s and Q_s are the price and output of Pineapple slice, and P_j and Q_j are the price and output of Pineapple juice. How many units of Pineapple slice and juice should be produced by firm? And what price should be charged for Pineapple slice and Pineapple juice? [20]

Ans: $Q_s = 70$; $P_s = 325$; $Q_j = 70$; $P_j = 65$

28. 2067 (II) Q.No. 6

Samsung Electronics Ltd. manufactures and sells LCD monitors. The current price of a monitor is Rs. 5,000 and quantity sold is 1000 units per year. The company believes that the price elasticity of demand is -1.5. The company decides to increase the price to Rs. 6,000.

- How many monitors the company will be able to sell at new price?
- What will be the effect on total revenue due to the increase in price?
- Whether the increase in price is desirable or not from the viewpoint of its effect on sale and total revenue?

[20]

Ans: (a) 760 (b) decrease by Rs. 440,000

29. 2066 (II) Q. No. 7

Imagine two cola major Coke and Pepsi are vying for greater market share in Kathmandu Valley. They have roped in two celebrities as their brand ambassadors and are planning to advertise their products with these celebrities. The only concern that is holding them back is the reaction of each other. The following table gives their payoffs in terms of market share:

		Pepsi	
		Advertise	Do not advertise
Coke	Advertise	(40, 30)	(50, 10)
	Do not advertise	(20, 50)	(30, 20)

- Determine the dominant strategy for each company.
- What would be Nash equilibrium?

[20]

30. 2063 Q.No. 6

The Aluminum Industry in the oligopoly market is operating under the price leader follower model with

Marginal cost of leader firm = $0.1Q$

Marginal cost of follower firm = $0.25Q$

The market demand function of aluminum is $P = 100 - Q$

- Find the product price
- Find the profit maximizing output for the leader.
- Find the quantity of output the followers would produce.
- Do you think this firm can be a leader for long-term?

[16]

Ans: (a) Rs. 52 (b) Rs. 39 (approx) (c) Rs. 9

31. 2059 Q.No. 7

Suppose that Gauri Shanker Dairy Limited produces goods A and B jointly in equal quantity. The total cost function of dairy is

$$TC = 100 + Q + 2Q^2$$

Where Q is the number of units of output, each unit contains 1 unit of A and 1 unit of B.

The demand function of two goods are

$$P_A = 200 - Q_A \text{ and } P_B = 150 - 2Q_B$$

Where P_A , Q_A and P_B , Q_B are quantities and prices of A and B respectively. What quantity of A and B should be produced and what price should be charged on each goods. [16]

Ans: Q_A and $Q_B = 34.9$ and $P_A = \text{Rs. } 165.10$ and $P_B = \text{Rs. } 80.20$

32. 2056 Q.No. 4 MBA

Necon Air is planning to run an extra flight from Biratnagar to Calcutta. The fully allocated cost of the flight is Rs. 45,000, the out of pocket cost Rs. 20,000 and the gross revenue of the flight is Rs. 31,000. Explain on the basis of incremental pricing technique whether Necon Air should run the flight or not? Also explain the superiority of this technique over full-cost pricing technique.

[10]

Ans: Rs. 11,000

5. INVESTMENT DECISION**SHORT ANSWER QUESTIONS****1. 2071 Q.No. 5**

How the risk is measured with probability distribution?

[10]

2. 2070 Q.No. 5
What are the factors to be considered in a long-run investment? [10]
3. 2070 Old Q.No. 5
What are the major factors that give the perfect decision in investment of a firm? [8]
4. 2069 Q.No. 5
Explain the major factors that govern investment decision of a firm. [10]
5. 2068 Q.No. 5
How marginal efficiency of capital and rate of interest influence the investment decision? Explain. [10]
6. 2068 (Old) Q.No. 5
What are the various methods of evaluating an investment decision? Explain any one of them. [8]
7. 2067 (I) Q.No. 5
How is risk measured with probability distribution? [10]
8. 2067 (II) Q.No. 5
Distinguish between risk and uncertainty? What is their significance in investment decision? [10]
9. 2067 (II) (Old) Q.No. 5
How discounted cash flow method helps to approve the projects? [8]
10. 2066 (I) Q.No. 5
Briefly describe the factors influencing investment decision. [10]
11. 2066 (II) Q. No. 5
How does risk differ from uncertainty? Do you think distinction between risk and uncertainty is uncalled for? Comment. [10]
12. 2063 Q.No. 5
How marginal efficiency of capital and rate of interest influence the investment decisions. [8]
13. 2062 Q.No. 5
How an investment project is evaluated by benefit-cost ratio method? Explain. [8]
14. 2061 Q.No. 5
Why is investment decision crucial to a business firm? Explain. [8]
15. 2060 Q.No. 5
Analyze the role of marginal efficiency of capital and market rate of interest on investment decision. [8]
16. 2058 Q.No. 5
Explain the factors influencing investment decisions. [8]
17. 2057 Q.No. 5
Discuss the major factors that govern the investment decision of a firm. [8]

Group B: ECONOMIC POLICY ANALYSIS

6. INTRODUCTION TO PUBLIC POLICY ANALYSIS

SHORT ANSWER QUESTIONS

1. 2071 Q.No. 8
How political actions are affected by self interest? Explain with help of the theory of public choice. [10]
2. 2070 Q.No. 8
Show how public policy analysis can benefit business decisions. [10]
3. 2070 Old Q.No. 8
"Public policy is what government chooses to do or not to do." Explain. [8]

4. 2069 Q.No. 8
Explain the utility of public policy in business decision making. [10]
5. 2068 Q.No. 8
Explain how public policy affects business decision making? [10]
6. 2068 (Old) Q.No. 8
Define the term 'public policy'. How does it affect the business decision-making of a firm? Explain. [8]
7. 2067 (I) Q.No. 8
What stages are involved in formulating a public policy? Discuss. [10]
8. 2067 (II) Q.No. 8
Explain how the knowledge of public policy helps in managerial decision making. [10]
9. 2067 (II) (Old) Q.No. 8
"Public policy is whatever government chooses to do or not to do." Explain. [8]
10. 2066 (I) Q.No. 8
Explain how the theory of public choice explains the possibility of government failure. [10]
11. 2066 (II) Q. No. 8
What are the uses of public policies in managerial decision making? [10]
12. 2065 (I) Q.No. 8
Define public policy. Explain the scope of public policy. [8]
13. 2065 (II) Q.No. 8
Explain the characteristics of public policy. [8]
14. 2064 Q.No. 8
Discuss how public policy affects business decision making. [8]
15. 2063 Q.No. 8
Explain, in brief, the subject matter of public policy analysis. [8]
16. 2062 Q.No. 8
"Public policy is what government chooses to do or not to do." Explain. [8]
17. 2061 Q.No. 8
How public policy analysis is useful to politicians and political parties? [8]
18. 2060 Q.No. 11
Explain in brief the scope of public policy analysis. [8]
19. 2059 Q.No. 11
Show how public analysis can benefit business decisions. [8]
20. 2057 Q.No. 8
Explain the utility of the public policy analysis in business decision-making. [8]

7. ROLE OF GOVERNMENT IN THE ECONOMY

SHORT ANSWER QUESTIONS

1. 2070 Q.No. 9
Why antitrust policy is considered necessary in a market economy? [10]
2. 2070 Old Q.No. 9
Why antitrust policy is considered necessary in a market economy? [8]
3. 2069 Q.No. 9
Explain the role of the government in market economy. [10]
4. 2068 Q.No. 9
Explain how externalities arises in the economy. [10]
5. 2068 (Old) Q.No. 9
Why should government intervene in free markets? What are the forms of government regulation? [8]

6. 2067 (I) Q.No. 9
How does a government intervene in markets? [10]
7. 2067 (II) Q.No. 9
How the existence of externalities and public goods causes market failure? Discuss. [10]
8. 2067 (II) (Old) Q.No. 9
Show the differences between regulatory roles and promotional roles of the government. [8]
9. 2066 (I) Q.No. 9
"Government regulation of businesses is indispensable from the viewpoint of economic and political consideration." Elucidate. [10]
10. 2066 (II) Q. No. 9
Why free-market fails to bring efficient results? Explain [10]
11. 2065 (I) Q.No. 9
Explain the types of market failure. [8]
12. 2065 (II) Q.No. 9
How externalities arise in the economy? [8]
13. 2064 Q.No. 9
What are the merits and demerits of providing patent to a business firm? [8]
14. 2063 Q.No. 9
Why regulation is considered necessary in a free market economy? [8]
15. 2062 Q.No. 9
Give your argument for and against patent to a business firm. [8]
16. 2061 Q.No. 9
Why antitrust policy is considered necessary in a market economy? [8]
17. 2060 Q.No. 8
What is meant by regulatory role of the government? What are the rational for regulation? [8]
18. 2059 Q.No. 8
What is market failure? Is utility regulation an effective measure to respond to market failure? [3+5]
19. 2058 Q.No. 8
Discuss the different approaches of Antitrust Policy. [8]
20. 2057 Q.No. 9
Explain the methods of regulating environment pollution. [8]
- COMPREHENSIVE ANSWER QUESTIONS**
21. 2071 Q.No. 13
Distinguish between structural failure and incentive failure. How does government regulate the market failure caused by structure of market? [5+15]
22. 2070 Q.No. 13
Why the regulation of environmental pollution is increasingly felt necessary in recent days? Determine the optimal level of pollution control from social point of view. [20]
23. 2070 Old Q.No. 13
Define role of government in the economy. Show the differences between regulatory and promotional roles of a government. [16]
24. 2066 (I) Q.No. 14
Define public utilities. Explain why and how public utilities are regulated? [20]
25. 2065 (I) Q.No. 13
Why the regulation of environmental pollution is felt necessary? How is the optimal level of pollution control determined? [16]
26. 2065 (II) Q.No. 13
What are the sources of market failure? How does the government try to solve it? [16]

27. 2064 Q.No. 13

How do you determine the optimal level of pollution control from social point of view?
Explain the various methods used by the government to minimize the problem of pollution. [16]

28. 2062 Q.No.13

Why the regulation of environmental pollution is increasingly felt necessary in recent days?
Determine the optimal level of pollution control from social point of view. [16]

29. 2061 Q.No. 13

Explain the method usually employed by the government for regulatory monopoly. What are the problems of direct regulation of monopoly? [16]

30. 2059 Q.No. 13

What are the shortcomings of free market economy? Discuss the role of utility regulation and antitrust policy as regulations of business. [8+8]

31. 2058 Q.No. 13

What should be the role of government in the economy? Show the differences between regulatory and promotional roles of a government. [16]

32. 2057 Q.No. 13

Why is the regulation of natural monopoly necessary? How is natural monopoly regulated? Explain. [8+8]

8. MACRO ECONOMIC CONCEPT AND POLICIES**SHORT ANSWER QUESTIONS****1. 2071 Q.No. 11**

How the GDP is calculated by income method? [10]

2. 2070 Q.No. 10

What is multiplier? What are the difference between multiplier and super multiplier? [10]

3. 2070 Old Q.No. 10

Explain and illustrate the acceleration theory. [8]

4. 2069 Q.No. 10

Explain the different phases of trade-cycle. [10]

5. 2069 Q.No. 11

Explain and illustrate the acceleration theory. [10]

6. 2068 Q.No. 11

How monetary policy helps to control inflation? [10]

7. 2068 (Old) Q.No. 10

Discuss the significance of monetary policy in the context of the developing country like Nepal. [8]

8. 2068 (Old) Q.No. 11

What is the relationship between multiplier and investment? [8]

9. 2067 (I) Q.No. 10

Explain how does incomes policy help in controlling inflation. [10]

10. 2067 (II) Q.No. 10

What, in your view, are the basic causes of demand-pull inflation? [10]

11. 2066 (I) Q.No. 10

Describe the concept of super multiplier. How super multiplier generates more income than by simple multiplier? [10]

12. 2066 (II) Q. No. 10

Real measure of national income is NNP, and not GDP. Do you agree with this? Give arguments in support of your point of view. [10]

13. 2065 (II) Q.No. 11

How does inflation affect the economy? [8]

14. 2064 Q.No. 11

Give an account of the current situation of foreign aid in Nepal. [8]

15. 2063 Q.No. 10
Explain the factors that cause cost-push inflation. [8]
16. 2062 Q.No. 10
How monetary policy helps to control inflation. [8]
17. 2061 Q.No. 10
What are the major components of a government budget? Explain. [8]
18. 2060 Q.No. 9
Explain and illustrate the acceleration theory. [8]
19. 2059 Q.No. 9
Explain the theory of acceleration. [8]
20. 2058 Q.No. 9
Give your argument in favour of planning for the economic development of underdeveloped countries. [8]
21. 2057 Q.No. 10
What are the major points of dispute between Monetarism and Keynesianism? [8]

COMPREHENSIVE ANSWER QUESTIONS

22. 2070 Old Q.No. 14
Explain saving-investment theory, price level in the consequences of the change in income rather than the quantity of money. [16]
23. 2067 (I) Q.No. 13
Define the concept of Super-Multiplier. Describe its working in a free, open economy. [20]
24. 2067 (II) Q.No. 14
What is meant by macroeconomic policy? Examine the macroeconomic policy tools usually employed by the government to achieve macroeconomic policy goals. [20]
25. 2067 (II) (Old) Q.No. 13
Explain the points of differences between Keynesianism and the monetarism. [16]
26. 2066 (II) Q. No. 13
Explain the causes of inflation and suggest measures to control inflation. [20]
27. 2063 Q.No. 13
According to the saving- investment theory, price level is the consequence of the change in income rather than the quantity of money. Explain. [16]

9. NEPALESE ECONOMY**SHORT ANSWER QUESTIONS**

1. 2071 Q.No. 10
Explain the major components of budget of government of Nepal. [10]
2. 2070 Q.No. 11
What are the benefits of liberalization in the economy of Nepal? [10]
3. 2070 Old Q.No. 11
What is planning? How far economic planning is useful for the development of a country like Nepal? [8]
4. 2069 Q.No. 12
Explain how the economic planning is useful for development of a country like Nepal. [10]
5. 2068 Q.No. 10
What are the major components of government budget? Explain. [10]
6. 2068 Q.No. 12
Explain how government expenditures are managed in Nepalese budget. [10]
7. 2067 (I) Q.No. 11
Explain the potential effects of globalization on developing countries. [10]
8. 2067 (II) Q.No. 11
What are the potential benefits of economic liberalization to a developing country like Nepal? [10]

9. 2067 (II) (Old) Q.No. 10
Give a brief review of Tenth Plan of Nepal. [8]
10. 2067 (II) (Old) Q.No. 12
Review the current state of the Nepalese economy. [8]
11. 2066 (I) Q.No. 11
Has privatization in Nepal helped to achieve its objectives? Explain. [10]
12. 2066 (II) Q. No. 11
How is government expenditure classified in Nepal? Explain. [10]
13. 2065 (I) Q.No. 10
How far economic planning is useful in a developing country like Nepal. [8]
14. 2065 (I) Q.No. 11
Do you believe that privatization leads to entrepreneurial freedom? Explain with reasons. [8]
15. 2065 (II) Q.No. 10
Explain the components of budget with reference to Nepal. [8]
16. 2064 Q.No. 10
Describe the benefits of planning for a developing country like Nepal. [8]
17. 2063 Q.No. 11
What are the benefits of economics liberalization? [8]
18. 2062 Q.No. 11
What are the adverse effects of multinational companies for a least developed country like Nepal? [8]
19. 2061 Q.No. 11
Explain how privatization helps the growth of private enterprises. [8]
20. 2060 Q.No. 10
Explain the efforts made so far for liberalization of financial sector in Nepal. [8]
21. 2059 Q.No. 10
Give your assessment of the present status of Nepalese economy. [8]
22. 2058 Q.No. 10
Show how economic liberalization has helped private sector business in Nepal. [8]
23. 2058 Q.No. 11
Assess the needs of foreign capital for the economic development of Nepal. [8]
24. 2057 Q.No. 11
Discuss the significance of multinational companies in developing countries like Nepal [8]
25. 2057 Q.No. 14
Make a critical appraisal of the current Ninth Plan of Nepal. [8]

COMPREHENSIVE ANSWER QUESTIONS

26. 2071 Q.No. 14
"Foreign capital has been contributing in economic development of Nepal but not as much as expected level." Elucidate this statement in reflection of current situation of foreign capital in Nepal. [20]
27. 2070 Q.No. 14
"Privatization through has enormous benefits, is also be set with numerous problems in the developing countries like Nepal." Discuss. [20]
28. 2069 Q.No. 13
Discuss the need of privatization in Nepal. Examine the present stage of privatization. [20]
29. 2068 Q.No. 13
"Privatization though has numerous benefits is also be set with numerous problems in the developing countries like Nepal. Discuss. [20]
30. 2068 (Old) Q.No. 13
Define 'government budget'. Why is it prepared? Explain the various procedures of budget formulation and execution with special reference to Nepal. [16]

31. 2068 (Old) Q.No. 14

Why is economic liberalization necessary for a country like Nepal? What major reforms have been initiated by the Government of Nepal under it? Do you think that it has helped private sector in Nepal? [16]

32. 2067 (II) Q.No. 13

"Although economic globalization has numerous benefits, it is not an unmixed blessing to developing countries like Nepal." Discuss. [20]

33. 2067 (II) (Old) Q.No. 14

What do you understand by economic liberalization? What are the steps taken by the Government of Nepal to liberalise the economy? [16]

34. 2066 (I) Q.No. 13

What is meant by economic globalization? Explain whether globalization helps or hinders the economic development of developing countries like Nepal. [20]

35. 2066 (II) Q. No. 14

How does economics liberalization policy play its role in the economic development of a country? Explain what economic liberalization and policy reforms have been adopted in Nepal since the mid-1980s. [20]

36. 2065 (I) Q.No. 14

"In the context of globalization, Multinational Companies are essential for the economic development of the country." Discuss. Have they actually contributed for the economic development of Nepal? Explain with reasons. [16]

37. 2065 (II) Q.No. 14

Is economic liberalisation necessary for the economic development of the country like Nepal? Discuss the reforms undertaken by the Government of Nepal in this regard. [16]

38. 2064 Q.No. 14

"Privatization, though has enormous benefits, is also beset with numerous problems in the developing countries like Nepal." Discuss. [16]

39. 2063 Q.No. 14

"Multinational companies though considered necessary in the present context of globalization, are not without defects for the developing countries like Nepal." Discuss. [8+8]

40. 2062 Q.No. 14

"Despite strong commitment of GON toward privatization the pace of privatization is very slow in Nepal." Discuss. [16]

41. 2060 Q.No. 13

Discuss the need of privatization in Nepal. Examine the present state of privatization in Nepal. [8+8]

42. 2059 Q.No. 14

Is economic liberalization necessary for a country like Nepal? Discuss the major reforms initiated by Nepalese government in this regard. [8+8]

10. PUBLIC POLICIES IN NEPAL

SHORT ANSWER QUESTIONS

1. 2071 Q.No. 9

Explain the fiscal policy instruments. How do the instruments help to achieve the goals of fiscal policy? [10]

2. 2071 Q.No. 12

Evaluate current tourism policy of Nepal. [10]

3. 2070 Q.No. 12

"Commercial policy of the government of Nepal has helped the export promotion." Explain. [10]

4. 2070 Old Q.No. 12

Explain the tourism policy in Nepal especially in the context of tourism year 2011. [8]

5. 2068 (Old) Q.No. 12

Critically evaluate the privatization policy of Nepal. [8]

6. 2067 (I) Q.No. 12

Critically analyze the privatization policy of Government of Nepal in the light of failure of privatized public enterprises. [10]

7. 2067 (II) Q.No. 12

Do you think that the foreign investment policy of the government of Nepal has caused increased inflow of foreign investment? Explain with reasons. [10]

8. 2067 (II) (Old) Q.No. 11

What are the features of the present industrial policy of Nepal? [8]

9. 2066 (I) Q.No. 12

Briefly describe the objectives and main instruments of monetary policy used by Nepal Rastra Bank. [10]

10. 2066 (II) Q. No. 12

Critically analyze the present industrial policy of Nepal in the light of slackness in industrial activities. [10]

11. 2065 (I) Q.No. 12

How far commercial policy of the Govt. of Nepal has helped the export promotion? Explain [8]

12. 2065 (II) Q.No. 12

Explain the tourism policy in Nepal. [8]

13. 2064 Q.No. 12

Explain the major components of the tourism policy of Nepal Government. [8]

14. 2063 Q.No. 12

Give an assessment of the foreign investment and one-window policy of Nepal Government. [8]

15. 2061 Q.No. 12

Comment on the current industrial policy of GON. [8]

16. 2061 Q.No. 12

Comment on the 'Foreign Investment and One Window Policy' of GON. [8]

17. 2060 Q.No. 12

Give your assessment of the financial policy of Nepal. [8]

18. 2059 Q.No. 12

What do you consider is the impact of the present tax policy of GON/N? [8]

19. 2058 Q.No. 12

Comment on the tourism policy of GON of Nepal. [8]

20. 2057 Q.No. 12

Explain how far the recent commercial policy of the government of Nepal is conducive to export promotion. [8]

COMPREHENSIVE ANSWER QUESTIONS**21. 2069 Q.No. 14**

Explain the efforts made by government of Nepal in the form of industrial and investment policies to attract foreign direct investment in the country. [20]

22. 2068 Q.No. 14

Explain the major provisions of foreign investment and one window policy 2049. How far is the policy suitable to promote foreign investment in Nepal? [20]

23. 2067 (I) Q.No. 14

What role does foreign capital play in a developing country like Nepal? Critically analyze the foreign investment policy of Government of Nepal. [20]

24. 2061 Q.No. 14

"Despite various provisions made in the 'Foreign Investment and One Window Policy' for attracting foreign direct investment, the level of foreign investment is still very low in Nepal." Discuss. [16]

25. 2060 Q.No. 14

Explain the major provisions of foreign investment and one window policy, 2049. How far is the policy suitable to promote foreign investment in the country? [8+8]

26. 2058 Q.No. 14

Explain the characteristics of public policy. Critically examine the agriculture policy of Nepal. [16]