

MBA
(SEM-I) THEORY EXAMINATION 2019-20
MANAGERIAL ECONOMICS

Time: 3 Hours**Total Marks: 100****Note:** Attempt all Sections. If require any missing data; then choose suitably.**SECTION A****1. Attempt all questions in brief.****2 x 10 = 20**

a.	State the nature of managerial economics.
b.	What is opportunity cost principle?
c.	Define law of demand and its exceptions.
d.	What is cross elasticity of demand?
e.	State the law of variable proportion.
f.	Define accounting and economic cost.
g.	What is product line pricing?
h.	Point out the features of oligopoly.
i.	Define deflation.
j.	What is innovation theory of profit?

SECTION B**2. Attempt any three of the following:****10x3=30**

a.	Explain the fundamental concepts of managerial economics.
b.	Elaborate the significance of elasticity of demand for managerial decision making.
c.	Illustrate law of return to scale with its causes and examples.
d.	Explain price discrimination and the possible conditions for price discrimination.
e.	Critically examine the dynamic surplus theory & uncertainty bearing theory of profit.

SECTION C**3. Attempt any one part of the following:****10x1=10**

a.	Explain the role and functions of managerial economist in present competitive scenario.
b.	“Do microeconomics and macroeconomics really complement each other”? Comment on the statement.

4. Attempt any one part of the following:**10x1=10**

a.	Define demand and factors effecting demand of a commodity.
b.	Discuss various demand forecasting methods for a new product.

5. Attempt any one part of the following:**10x1=10**

a.	What is law of supply? Explain supply elasticity and how it is used for decision making.
b.	Explain relationship between short run and long run cost function.

6. Attempt any one part of the following:**10x1=10**

a.	What is perfect competition? How prices are determined under perfect competition?
b.	Differentiate between monopoly and monopolistic competition and also discuss the equilibrium state in both market conditions.

7. Attempt any one part of the following:**10x1=10**

a.	What is inflation? Describe causes and measures to control inflation.
b.	Discuss characteristics and various phases of business life cycle.