

M.B.A. (GEN.) SEM-I / M.B.A.(HR) SEM-I (2016 Course) CBCS :
SUMMER - 2019
SUBJECT: MANAGERIAL ECONOMICS

Day: Thursday
Date: 09/05/2019

S-2019-2182

Time: 10.00 AM TO 01.00 PM
Max. Marks: 60

N.B.:

- 1) Answer ANY THREE questions from Section I. Each question carries 10 Marks
- 2) Answer ANY TWO questions from Section II. Each question carries 15 Marks.
- 3) Answers to Both the sections to be written in **SAME** answer books.
- 4) Draw a labeled diagram WHEREVER necessary.

SECTION - I

Q.1) Answer the following: Attempt ANY ONE (10 Marks X 1 = 10 Marks)

- a) 'Managerial Economics uses the theories of economics and the methodologies of the decision sciences for managerial decision making.' Elaborate.
- b) Explain the various types of survey methods of demand forecasting. How are survey methods superior to statistical methods?

Q.2) Answer the following: (10 Marks X 1 = 10 Marks)

What is productivity? Explain production function.

Q.3) Answer the following: (10 Marks X 1 = 10 Marks)

Explain the shapes of short run cost curves. Analyze the relationship between AC and MC curves.

Q.4) Answer the following: Attempt ANY ONE (10 Marks X 1 = 10 Marks)

- a) Explain price leadership in an oligopoly market.
- b) Explain the various methods of measurement of national income.

Q.5) Write short notes on the following: Attempt ANY TWO (5 Marks X 2 = 10 Marks)

- a) Role of Managerial Economist
- b) Uses of elasticity of demand
- c) Production and Cost
- d) Explicit Cost vs Implicit cost
- e) Features of Perfect Competition
- f) Fiscal Policy

SECTION - II

Q.6) Answer the following: Attempt ANY ONE (15 Marks X 1 = 15 Marks)

- a) Discuss the theories of firm in managerial economics.
- b) State and Explain the 'law of demand' and 'its determinants'. Why does the demand curve slope downwards from left to right?

Q.7) Answer the following: Attempt ANY ONE (15 Marks X 1 = 15 Marks)

- a) Explain the law of supply. How can supply elasticity be put to use in managerial decision making?
- b) With suitable diagram explain the law of returns to scale.

Q.8) Answer the following: Attempt ANY ONE (15 Marks X 1 = 15 Marks)

- a) In the following list are a number of well-known companies and the products that they sell. Which of the four types of markets (perfect competition, monopoly, monopolistic competition, and oligopoly) best characterizes the markets in which they compete? Explain why.
 - i) McDonald's -burger
 - ii) Dell-personal computers
 - iii) Heinz-ketchup
 - iv) Starbucks- gourmet coffee
- b) In a free market economy, business cycle is self-adjusting. Explain the process of recession when prosperity reaches its peak and the forces of uptrend when depression reaches its bottom.