

**MP-102**

December - Examination 2018

**Master of Business Administration - I Year  
Examination****Managerial Economics****Paper - MP-102****Time : 3 Hours ]****[ Max. Marks :- 80**

**Note:** The question paper is divided into three sections A, B and C. Write answers as per the given instructions.

**Section - A****8 × 2 = 16**

(Very Short Answer Questions)

**Note:** Answer **all** questions. As per the nature of the question delimit your answer in one word, one sentence or maximum up to 30 words. Each question carries 2 marks.

- 1) (i) Why demand curve slopes from left to right?
- (ii) What is price discrimination?
- (iii) Explain production function.
- (iv) Why perfect competition is not possible in real scenario?  
Give any two reasons.
- (v) What do you mean by personal disposable income?

- (vi) What do you mean by implicit cost?
- (vii) What is quasi-rent?
- (viii) What is BOT?

**Section - B****4 × 8 = 32****(Short Answer Questions)**

**Note:** Answer **any four** questions. Each answer should not exceed 200 words. Each question carries 8 marks.

- 2) Explain the importance of studying managerial economics to a manager.
- 3) Explain exceptions of law of demand with suitable examples.
- 4) What is the difference between BOP and BOT? Explain.
- 5) What is inflation? Why is it important for a manager to understand various aspects of inflation before any decision making?
- 6) What do you mean by marginal cost? Explain the relationship between marginal cost and average cost.
- 7) What do you mean by elasticity of Demand? Explain its various types.
- 8) Explain the law of diminishing returns. Also explain its assumptions.
- 9) Explain the relationship between National Income and Economic welfare.

**Section - C****2 × 16 = 32**

(Long Answer Questions)

**Note:** Answer **any two** questions. You have to delimit your each answer maximum up to 500 words. Each question carries 16 marks.

- 10) Explain the behavioural theory of the firm. How does it differ from traditional theory?
  - 11) What do you mean by National Income? Explain the obstacles in measuring national income and also suggest measures to remove these obstacles.
  - 12) What do you mean by demand forecasting? Explain various techniques of demand forecasting.
  - 13) What do you mean by imperfect competition? How do price and output are determined under imperfect competition?
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