

13. Differentiate between Skimming Price and Penetration Price Policy. Which of these policies is relevant in pricing a new product under different competitive conditions in market ?

## **MP-102**

**December – Examination 2022**  
**Master of Business Administration**  
**(Ist Year) Examination**  
**Managerial Economics**  
**Paper : MP-102**

*Time : 3 Hours ]*

*[ Maximum Marks : 80*

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

### **Section-A**

**2×8=16**

#### **(Very Short Answer Type 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) What is Microeconomics ?

- (ii) Explain the concept of Demand.
- (iii) What is Price Elasticity of Demand ?
- (iv) What do you mean by Opportunity Cost ?
- (v) What do you mean by Dumping ?
- (vi) What is Transfer Pricing ?
- (vii) Explain Government Borrowing.
- (viii) Write any *two* features of Keynes Theory of Employment.

**Section-B** **4×8=32**

**(Short Answer Type Questions)**

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

- 2. How are mathematics and statistics and operational research useful to Managerial Economics ?
- 3. Describe the various types of Demand in brief.
- 4. What do you mean by Production ? Define production function and describe the assumptions.
- 5. What is Monopoly and what are its characteristics ?

- 6. What is Price Discrimination ? What are the conditions for discriminating price ?
- 7. Explain the Economic Theory of the Firm.
- 8. Why is reasonable profits considered in place of maximisation of profit ?
- 9. Explain the circular flow of income in an economy. What does it measure ?

**Section-C** **2×16=32**

**(Long Answer Type Questions)**

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

- 10. What do you mean by Elasticity of Demand ? Explain the various types of demand elasticity with illustrations.
- 11. Why is forecasting important to business decisions ? Discuss the Qualitative and Quantitative methods of demand forecasting.
- 12. Explain Price and output determination under monopolistic condition with suitable diagram.