

# MP-102

June – Examination 2022

## Master of Business Administration (I Year) Examination

Managerial Economics

Paper : MP-102

*Time : 1½ Hours ]*

*[ Maximum Marks : 80*

---

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

**Section-A**

**4×4=16**

**(Very Short Answer Type Questions)**

*Note* :- Answer any *four* 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 4 marks.

1. (i) Define Managerial Economics.

- (ii) What is derived demand ?
- (iii) What is income elasticity of demand ?
- (iv) What do you mean by Production Function ?
- (v) What do you mean by Opportunity cost ?
- (vi) Write any *two* characteristics of Perfect competition.
- (vii) What is price discrimination ?
- (viii) What do you mean by Transfer pricing ?

**Section-B** **4×16=64**

**(Short Answer Type Questions)**

*Note* :- Answer any *four* questions. Answer should not exceed **200** words. Each question carries 16 marks.

- 2. Explain the relationship of managerial economics with other disciplines.
- 3. Distinguish between the following :
  - (a) Extension of demand and increase in demand
  - (b) Contraction of demand and decrease in demand

- 4. Why is forecasting important to business decisions ? Discuss the Qualitative and Quantitative methods of demand forecasting.
- 5. Explain the relationship between Marginal Cost and Average Cost.
- 6. What is reasonable profit ? Write the common deviational tendencies in case of reasonable profits.
- 7. Define Profit. Critically explain rent theory of profit.
- 8. What is meant by saving and investment ? How do they influence circular flow of income in a free market economy ?
- 9. What are different methods of measurement of national income ? How an appropriate method can be chosen ?