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SubCode: RMB102/RMT102

Paper ID:7002

MBA
(SEM I) THEORY EXAMINATION 2017-18
MANAGERIAL ECONOMICS
SET 1

Time: 3 Hours

Total Marks: 70

Note: 1. Attempt all Sections. If require any missing data; then choose suitably.
2. Any special paper specific instruction.

SECTION A

1. Attempt *all* questions in brief. 2 x 7 = 14
- a. What are Giffen goods?
 - b. What do you understand by movement along the demand curve?
 - c. Is sunk cost barrier to entry?
 - d. What will be the effect on the commodity if the price of its substitution falls?
 - e. What is transfer pricing?
 - f. What are the objectives of a fiscal policy?
 - g. What do you mean by income effect?

SECTION B

2. Attempt any *three* of the following: 7 x 3 = 21
- a. What are the problems faced in determining the demand for durat Durable goods? Illustrate using example of Refrigerator and telev sets.
 - b. In perfect competition $AR=MR$ and in monopoly $AR>MR$. Justify.
 - c. Analyze critically various methods of demand forecasting.
 - d. Discuss classical theory of employment and Income. What are its limitations?
 - e. What are the major macroeconomic issues related to business decision making?

SECTION C

7 x 1 = 7

3. Attempt any *one* part of the following:
- a. How does Managerial economics relate with other disciplines for propounding its theories?
 - b. Describe the circular flow of economic activities in India.
7 x 1 = 7
4. Attempt any *one* part of the following:
- (a) What is price elasticity? How it is measured? Also explain its managerial significance.

- (b) What are the factors affecting demand for consumer goods? Explain using relevant examples.
5. Attempt any *one* part of the following: 7 x 1 = 7

(a) Explain giving reasons which of the following market depicts Monopolistic competition?

1. Drug store

2. Restaurant

(b) Do you think agree with the view that there exist price rigidities in oligopoly market? Explain your views.

6. Attempt any *one* part of the following: 7 x 1 = 7

(a) The supply of good decreases as the *cost of production* rises with the increase in input *prices*.

(b) Why Long run average cost curve (LAC) is known as planning curve?

7. Attempt any *one* part of the following: 7 x 1 = 7

(a) Explain demand pull inflation. How it can be controlled?

(b) What are the various features of trade cycle? Explain the causes of trade cycle.