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2112M078

BACHELOR OF BUSINESS ADMINISTRATION

Retail Management

Subject: Managerial Economics

Subject Code: MGM-504

Semester: First

December 2021

Theory (External): 70 Marks

Time: 03 Hours

Instructions to the Students

1. This Question paper consists of two Sections. All sections are compulsory.
2. Section A comprises 10 questions of objective type in nature. All questions are compulsory. Each question carries 2 marks.
3. Section B comprises 8 essay type questions out of which students need to do any 5. Each question carries 10 marks.
4. Read the questions carefully and write the answers in the answer sheets provided.
5. Do not write anything on the question paper.
6. Wherever necessary, the diagram drawn should be neat and properly labelled

Roll Number									

SECTION –A (SHORT/OBJECTIVE TYPE QUESTIONS)
(10x2=20 Marks)

- A Define managerial economics.
- B What is market equilibrium? Explain equilibrium point with a labelled diagram
- C Differentiate between cardinal and ordinal utility.
- D Write down in detail about income effect for normal and inferior goods.
- E What is isoquant curve?
- F Write down the application of economies of scale while investing in an already existing business firm.
- G What is price discrimination? In which type of market situation, it is being observed?
- H What are the conditions for short run equilibrium of the firm?
- I 'Inflation is better than deflation' Justify.
- J Explain the impact of business cycles on a business firm.

SECTION –B (ESSAY TYPE QUESTIONS)
(5x10=50 Marks)

- 1 What is demand and supply elasticity? Explain in detail different forms of demand elasticity. How change in demand effects price of a product when its supply remain constant?
- 2 What is indifference curve? 'Price effect is a combination of income effect and substitution effect' Explain with the help of proper diagrams.
- 3 Differentiate between modern theory and traditional theory of cost with proper diagrams.
- 4 Write point of differences between perfect competition, monopolistic and monopoly form of market.
- 5 What is national income? What are the applications of national income? How it is calculated?
- 6 What is kinked demand curve model? How dominant price leadership model is applied in oligopoly form of market? Give an example of it.
- 7 (a) Write a short note on application of indifference curve.
(b) Explain the law of diminishing marginal productivity. When production manager considers this law?
- 8 Differentiate between short run and long run equilibrium of a firm and industry under perfect competition form of market with proper diagrams. What are the applications of equilibrium of a firm?

==END OF PAPER==