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Shree Damodar College of Commerce & Economics, Margao-Goa

FYBBA, Term- III, End Term Assessment-April 2023

BBCB019: Managerial Economics II

Duration: 1.5 Hours **Marks: 25**

Instructions:

1) Start each question on fresh page.

2) Figures to the right indicate maximum marks.

3) All the questions are compulsory.

Q.1. Write a short note on Demand Forecasting. **(1x2=2Marks)**

Q.2. Answer the following questions. **(4x2=8 Marks)**

A. Explain the degrees under Discriminating Monopoly.
B. Write any three methods used to calculate demand forecasting

Q.3. Answer the following questions. **(3x5=15 Marks)**

A. Suppose there are two firm, Firm A and Firm B. Both own an identical mineral water spring with zero producing cost. Here, A is the first one to start with the production and will produce half of the market. While B is the last to start with the production, producing half of half the market. Both the firm assume that they will keep the output level constant and will follow action-reaction chain.
Under such situation explain how Firm A and Firm B will attain equilibrium, with the help of diagram.

B. "Uber is a transportation company with an app that allows passengers to hail a ride and drivers to charge fares and get paid. More specifically, Uber is a ridesharing company that hires independent contractors as drivers. It's one of many services today that contribute to the sharing economy, supplying a means of connecting existing resources instead of providing the physical resources themselves".

In recent years ride sharing has become popular as compared to traditional rickshaws and taxis, hence demand for these traditional rides has decreased.

On the basis of above example, explain the term demand and also mention the factors that will affect demand.

C. In Agriculture Market there are many farmers producing similar crops and selling them in the market. Since there are many sellers, no single seller is in the position to dominate the market or its prices. Here this type of market will accept the prices decided by the market forces of demand and supply. In agriculture market firms in short run will experience super normal profit while in long run, normal profit is experienced.

Identify the market structure and also explain its price output determination in short run.

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