

MANAGERIAL ECONOMICS

Duration : 2 hours

Max. Marks : 80

- Instructions: 1) All questions are compulsory however internal choices are allowed.
2) Figures to the right indicate marks.
3) Draw graphs/diagrams wherever necessary.

Q1. Answer briefly any four of the following:

(4 x 4 =16)

- a) Objectives of a firm
- b) Increase in supply with help of a graph
- c) Decision making & forward planning.
- d) Law of demand.
- e) Give formula for cross elasticity of demand and explain it.
- f) Any four determinants of demand

Q2. Answer briefly any four of the following:

(4 x 4 =16)

- a) Increasing returns to scale
- b) Opportunity costs.
- c) Average fixed cost curve.
- d) Internal Economics of scale.
- e) Relationship between AC and MC curves.
- f) Determinants of cost function (any 4)

Q3 A) Outline the characteristics of managerial economics and explain its various uses.

(12)

OR

Q3. X) What is the price elasticity of demand? Explain with the help of diagrams different types of price elasticity of demand.

(12)

Q4 A) What is market equilibrium? Explain the shifts in the equilibrium due to shifts in demand and supply.

(12)

OR

Q4. X) What is demand forecasting? Explain the different methods of demand forecasting.

(12)

Q5. A) Explain the law of variable proportions with the help of a schedule and graph.

(12)

OR

Q5. X) Answer briefly:

(4 x 3 =12)

- i) Production function
- ii) Total product
- iii) Total Cost curves

Q6.A) Explain the long run average cost curve with the help of a diagram.

(12)

OR

Q6. X) Calculate TC, AC, AFC, AVC and MC from the following data. The total fixed cost is 100.

(12)