

Total No. of Questions – 10]
(2062)

[Total Pages : 3

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M.B.A. Examination

MANAGERIAL ECONOMICS

Paper–103
(Semester–I)

Time : Three Hours] [Maximum Marks : { Regular : 60
ICDEOL : 70

The candidates shall limit their answers precisely within the answer-book (40 pages) issued to them and no supplementary/continuation sheet will be issued.

Note : Attempt *five* questions in all, selecting *one* question from each unit. All questions carry equal marks.

UNIT–I

1. Why is circular flow important in economics? Describe the circular flow of economic activities in an economy.
2. What are the objectives of a business firm? Evaluate whether profit maximization is always the most important objective of firms? What are its limitations?

UNIT-II

3. Point out significance and main feature of managerial economics. How managerial economics is different from traditional economics?
4. Explain the incremental concept and states its importance. How will you distinguish between marginalism and incrementalism?

UNIT-III

5. What is the importance of elasticity of demand? Explain with the help of diagrams the relationship between price elasticity, income elasticity and cross elasticity of demand.
6. What are the differences between quantitative and qualitative methods of demand forecasting? Which is better qualitative or quantitative forecasting? Comment.

UNIT-IV

7. Discuss why increasing returns to scale imply a decrease in long run average cost function and a decrease in returns to scale implies in an increase in long run average cost function.
8. Elucidate the law of variable proportions with the help of a table and diagram. What are the basic assumptions behind this law?

UNIT-V

- 9.** What are the sources of monopoly? Explain the long run equilibrium of a monopolist firm with the help of appropriate diagram(s).
- 10.** Write short notes on the following :
- (a) Methods & strategies of pricing.
 - (b) Causes of emergence of an oligopoly.
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