No. of Printed Pages—2

02 (MECO)

[17–HDGKACRM–M1]

MBA/PGDBM 1st Semester Exam., 2017

MANAGERIAL ECONOMICS

(MBA/PGDBM–02)

Full Marks : 80

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Answer any *five* from the following questions (each within *50* words) : 2×5=10

(a) Cite an example of opportunity cost.

(b) Define demonstration effect.

(c) What does a budget line exhibit?

(d) Define marginal cost.

(e) Define peak-load pricing.

(f) Define cartel.

2. Answer any *three* from the following questions (each within *150* words) : 4×3=12

(a) Briefly discuss the application of managerial economics in business decision making.

(b) Briefly discuss the concept of transfer pricing.

(c) "The market supply curve is the horizontal summation of the supply curves of individual firms." Discuss the statement.

(d) "A higher indifference curve represents a higher level of satisfaction." Discuss the statement with the help of appropriate figure.

3. Answer any *three* from the following questions (each within *250* words) : 6×3=18

(a) Briefly discuss the technique of opinion poll method of demand estimation.

(b) "A bird in hand is preferable to two in the bush." Explain the statement with reference to present and future values of money.

(c) Distinguish between the two market structures of monopoly and perfect competition.

(d) Discuss briefly the different pricing strategies in terms of the different phases of a product in the product life cycle.

4. Answer any *four* from the following questions (each within *500* words) : 10×4=40

(a) How would you derive a demand curve from the demand schedule of a consumer? Explain. Discuss the factors on which the market demand for a product rests upon. 3+7=10

(b) What does an isoquant refer to? Discuss graphically the concepts of decreasing and constant returns to scale. 2+8=10

(c) Differentiate between risk and uncertainty. What does trade-off in economics refer to? How does externalities lead to spill over benefits? Discuss. 4+3+3=10

(d) Write short notes on the following : 5+5=10

(i) Indifference map

(ii) Mark-up pricing

(e) Does a firm always make profit in the short-run? Discuss. Does the law of demand always hold good? Discuss. 5+5=10

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