[18–HRGPKAC–M1S (B)]

MBA/PGDBM 1st Semester Exam., 2018 (Back)

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 demonstration effect.

(b) Draw a figure to exhibit increasing returns to scale.

(c) Define price elasticity of demand.

(d) Distinguish between fixed cost and variable cost.

(e) Draw a figure to exhibit the different phases of life cycle of a product.

(f) Define the term 'market demand'.

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

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

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

(c) Discuss the concept of decreasing returns to scale with the help of an appropriate figure. Why does it occur? 3+1=4

(d) Discuss the different pricing strategies in relation to an established product in the market.

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

(a) Define cross-elasticity of demand. Discuss the different determinants of price elasticity of demand. 2+4=6

(b) Discuss the different applications of microeconomics principles in the field of business decision-making.

(c) Define monopoly form of market. Discuss the relationship between average revenue (AR) and marginal revenue (MR) curves in the monopoly form of market. 1+5=6

(d) Discuss the concept of peak load pricing.

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

(a) Discuss the significance of managerial decision-making. What role does a managerial economist undertake in a business organization? Discuss. 5+5=10

(b) State the assumptions of ordinal utility theory. Discuss the various properties of an indifference curve. 3+7=10

(c) Compare the features of monopolistic competition with the oligopoly form of market. Briefly discuss the kinked demand curve model of oligopoly. 4+6=10

(d) Discuss the concept of price discrimination. Discuss the different degrees of price discrimination. When is price discrimination possible? 3+5+2=10

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

(i) Cost-plus pricing

(ii) Consumer's surplus

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