Roll No.

Paper Code: RMB-102

M.B.A
FIRST SEMESTER EXAMINATION, 2016-17
MANAGERIAL ECONOMICS

[Time: 3 hours]   [Max. Marks: 70]

Note: Attempt *ALL* questions. Assume suitable data, if required. All question carry equal marks.

1. Attempt any *four* parts of the following: -   **(3.5x4=14)**

   (a) What is the relevance of managerial economics in business decisions?

   (b) A consumer purchases 20 units of a commodity when its price was Rs. 4 per unit. He purchased 30 units of it when its price fell to Rs. 3 per unit. What is the price elasticity of demand? Is it elastic or inelastic?

   (c) Show the relationship between long run average cost (LAC) and long run marginal cost (LMC).

   (d) What are the basic characteristics of an oligopolistic market structure?

   (e) What are the types of inflation based on speed or intensity?

   (f) What are the types of revenue?

2. Attempt any *two* parts of the following: -   **(7x2=14)**

   (a) State the law of demand and illustrate it with the help of a demand curve. What are the exceptions to the law of demand?

   (b) Explain the factors determining the market supply for a commodity.

   (c) Explain any two basic principles of managerial economics.

3. Attempt any *two* parts of the following: -   **(7x2=14)**

   (a) Define production function. Explain the two types of production functions in the theory of production.

   (b) Explain the long run average cost with the help of LAC curve.

   (c) Explain the nature of managerial economics.

4. Attempt any *two* parts of the following: -   **(7x2=14)**

   (a) How is price of goods determined under perfect competition?

   (b) Differentiate between price skimming and penetration pricing strategy.

   (c) What are the different price elasticities of demand? Explain with the help of graph.

5. Attempt any *two* parts of the following: -   **(7x2=14)**

(a) Define inflation. What are the causes of inflation?

(b) Define national income. Explain the major difficulties in estimation of national income.

(c) What are the basic features of perfect competition market?