

Date: 04/12/07

ME 01

Roll No :
Total No of Question 6
Duration: 3 hr

Total No of Printed Pages -1 + 2 = 3
Maximum Marks: 30

Section -1

Note: The Question Paper contains two sections of 30 marks each. Both sections are compulsory. Attempt each section in a separate answer sheet
Question No 1 is compulsory, Attempt any four questions out of question no 2 to 6. All questions carry equal marks

Q-1 : Answer any five of the following

- A) What is depression ?
- B) What is business forecasting
- C) Discuss the law of demand
- D) What is cross elasticity of demand
- E) Define and give characteristics of monopoly
- F) Define accounting costs

Q -2 Discuss the relationship between total product ,average product, and marginal product with the help of a graph and a table

Q-3 What is managerial economics? Define nature and scope of managerial economics?

Q-4 Explain the regression analysis method of demand forecasting

Q-5- Discuss Demand? What are its various types and its determinants

Q-6- Define the following

- A) Opportunity cost
- B) social cost
- C) Markets
- D) Passive forecasts
- E) Economy

Roll No :
 Total No of Questions 4
 Duration: 3 hrs

Total No of Printed Pages 2
 Maximum Marks 30

Section II

Note

1. Answer Any Three Questions
2. Use of Calculator is Permitted
3. Draw neat diagram to illustrate your answer

1 a. what is the Kinked Demand Curve Hypothesis and what does it convey to the decision maker? 6

b. Explain price discrimination as practiced by the monopolist When does it succeed? 4

2 a. Exploit the NPV method of evaluating investment projects. What are its merits and Demerits? 5

b. Calculate the IRR for the project and rank the projects 5

Projects	A	B
Initial Investment	10,00,000	10,00,000
Net cash floe		
Year		
1	300000	-100000
2	300000	10000
3	300000	300000
4	300000	300000
5	300000	1300000

3 a. Explain the concept of break even point and describe the usefulness in planning profits 6

b. Given the fixed expenses of 72000 the selling price as Rs 50 and variable cost rs 30 per unit calculate the BEP output if the firm producing cycles expects to make a profit of 2000 4

4 a. What are the three approaches to the quantification of the level of economic activity in any economy How does it prove useful to a firm planning its output 6

b Compute the new level of gross output u of the two sectors given the final demand as 1000 and 2000 respectively and the technology matrix as below 4

0.2	0.1
0.3	0.4