MMS - I

ME 01

.13-12-2011

Managerial Economics.

Roll No. Total No. of Printed pages: 2

Total No. of Questions: 9 Maximum Marks ; 60

Duration 3 hours :

Note: 1. Answer ANY SIX questions.

2,Draw neat diagrams where necessary.

1. a) Explain the relationship between Managerial Economics and Decision Sciences. (5)

   b) Explain the process of price determination in a market economy. Given the f following data determine price: (5)

   $D=100-5\,p$ and $S=-50+5\,p$ (minus 50 + 5p)

2. a) Define demand and distinguish between demand for consumer goods and demand for capital goods, (5)

   b) Discuss the Cardinal Utility hypothesis of the law of demand. (5)

3. a) Explain the use of price elasticity and promotional elasticity of demand in the decision making by the firm. (5)

   b) Given the demand function $P = 2000 - 50\,Q$ what should the price if the demand is unit elastic? (5)

4Critically examine the advantages and disadvantages of qualitative and quantitative methods of demand forecasting. (10)

5. a) Define isoquants and state their properties. (5)

   b) Describe various short run cost concepts with examples. (5)

6. a) What are the various objectives of the firm. (5)

   b) The firm's total fixed cost is Rs. 100,000/ and its average variable cost per unit is Rs. 50/ . Find the break even output at price is 150/ per unit If the firm wants to earn a profit of Rs. 60,000/ how much should it produce a and sell ? (5)

7. a)" A perfectly competitive firm may enjoy supernormal profits in short run but not in the long run." Explain. (5)

   b) Describe the features of monopolistic competition and monopoly. (5)

8. a) Describe various methods of product pricing by the firms. (5)

b) Explain the expenditure method of estimating national income. (5)

9. Write notes on ANY TWO. (10)

a. consumer's equilibrium.
b. Least square method of measuring trend.
c. Conditions of profit maximization in competition and monopoly.
d. Kinky demand curve.
e. Phases of business cycle.
