



(SF)

**MBA 02**

**I Semester M.B.A. Examination, August 2011**  
**MANAGERIAL ECONOMICS**

Time : 3 Hours

Max. Marks : 75

- Instructions :** 1) Question paper is divided into **three** groups.  
2) **Each** group is of **25** marks.  
3) Figure to the **right** in bracket indicates mark.  
4) Assume **suitable** data if **necessary**.

**GROUP – A**

Answer **any three** questions. (Question No. **1** is **Compulsory**)

1. Define Managerial Economics and explain how it is related to economics mathematics and statistics. **(5)**
2. Explain the concept of demand. Also explain the law of demand with reference to demand schedule, demand curve and features of law of demand. **(10)**
3. Explain the concept of price elasticity of demand ? Also explain the types of price elasticity. **(10)**
4. Explain the meaning, significance, purpose of forecasting and also give the criteria of a Good Forecasting method. **(10)**
5. Explain the following : **(10)**
  - a) Prices of related goods and demand
  - b) Consumer tastes and preferences and demand
  - c) Consumer expectations and demand
  - d) Consumer income and demand.

**GROUP – B**

Answer **any three** questions. (Question No. **6** is **Compulsory**)

6. Explain different forms of market structure. **(5)**
7. Give the characteristics of monopoly firm and explain monopoly equilibrium in the long run. **(10)**

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8. Explain different degrees of price discrimination. (10)
9. Explain the Chamberlins model of Duopoly. (10)
10. Explain Knitted Demand Model Curve. (10)

## GROUP – C

All questions are **Compulsory**.

11. Fill in the blanks (**Each** question carries **2** marks)

- i) Economics for most purpose can be classified into two broad categories \_\_\_\_\_ and \_\_\_\_\_
- ii) Goods used for final consumption are called as \_\_\_\_\_
- iii) Charging different prices for the same product from consumer to different market segment is called as \_\_\_\_\_
- iv) Determining the product design when the selling price is predetermined is called as \_\_\_\_\_
- v) Decrease in the value of the asset due to use during a particular period say a year is said to be \_\_\_\_\_

12. Multiple choice question. (**Each** question carries **2** marks)

- i) Managerial economics is an application of economic theory and methodology to \_\_\_\_\_
- a) Decision making                      b) Buying
- c) Selling                                      d) None of these
- ii) Change in income will have no effect on the quantities demanded is type of \_\_\_\_\_
- a) Positive income elasticity              b) Negative income elasticity
- c) Zero income elasticity                  d) None of these
- iii) Following is one of the demand forecasting method.
- a) Gaussian method                      b) Simpsons method
- c) Delphi method                          d) Hertz method



iv) From below mentioned which is method of stock valuation.

- a) Naive
- b) LIFO
- c) Collective
- d) Regression

v) A special case of oligopoly in which there are exactly two sellers in the market.

- a) Perfect competition
- b) Monopoly
- c) Monopolistic competition
- d) Duopoly

13. **True or false (Each question carries 1 mark)**

- i) Managerial economics also has relationship with the disciplines.
  - ii) Goods which can be consumed only once are said to be durable goods.
  - iii) Forecasting is a prediction or estimation of present situation.
  - iv) The cost incurred in order to alter the position or shape of demand curve for product is called as selling cost.
  - v) Profit is measuring rod of a business performance.
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