

MMS/M07  
Managerial Economics  
Paper Cp -103

Time : 3 Hours

MM:70

Note:- Attempt Five questions in all, Question No. 1 is compulsory. All questions carry equal marks.

- 1 Answer the following questions in not more than 30-35 words.
  - (a) Why do you study Managerial Economics in MBA?
  - (b) What is Equi-marginal principle?
  - (c) What is Ordinal and Cardinal utility?
  - (d) What is Monetary and Fiscal policy?
  - (e) What is Deflation?
  - (f) What is Balance of Trade?
  - (g) What are economies of scale?
  
- 2 Which model of demand analysis would you prefer for studying the consumer behaviour, and why? Differentiate amongst prediction, projection, and forecasting. Give some examples.
- 3 What is the concept of Elasticity of Demand? What are its various types? Discuss Price elasticity in detail. Give examples of developing countries.
- 4 "Cost analysis tells us the relationship between the cost and output." Explain the statement and give detailed account of various cost and revenue concepts.
- 5 Suppose you have established a business in steel industry where derive the economies of scales in such situation? Also elaborate some issues essential for Iso-quant and Iso-cost analysis in your company vis-à-vis steel industry.
  
- 6 Elaborate how the price is determined under monopoly and oligopoly market conditions. Discuss the concept of price discrimination with examples.
- 7 Explain and illustrate the concept of Break-even analysis. Discuss its implications on a new, well established and loss-making firm. Give examples of Indian firms both from public and private sectors. Quote the case study of MARUTI and TELCO with your detailed comments.
  
- 8 Write short notes on:
  - (a) Business trade cycles;
  - (b) Basics of Macro economics; and
  - (c) National income and accounting.