

MMS/DX-6176

CP-103: Managerial Economics

Time : 3 Hours

Maximum Marks : 70

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

Q-1 Answer the following in short:

- (a) Define Managerial Economics.
- (b) Explain the concept of Income Demand and Cross Demand.
- (c) Explain the Degrees of Elasticity of Demand.
- (d) Define Marginal utility with suitable example.
- (e) What is demand estimation?
- (f) Explain the various Economics of scale.
- (g) Differentiate between Gross Domestic Product and Gross National Income. 7x2=14

Q-2 Define Elasticity of Demand. Examine its significance in the theory of Demand. 14

Q-3 Explain Price, Income and Substitution Effects. Prove that Price Effect is the combination of Income and Substitution Effect. 14

Q-4 Define Demand Forecasting. Discuss any four methods of Demand Forecasting. 14

Q-5 Explain the Law of Variable proportions. Which is the best stage of production? 14

Q-6 Explain the equilibrium of the Firm and Industry under perfect competition. 14
(a) in short run (b) in long run.

Q-7 What do you mean by Inflation? Suggest various measures to control inflation. 14

Q-8 Distinguish between Balance of Payments and Balance of Trade. How can an Unfavourable Balance & Payments be corrected? 14