Seat No. : 2010

MJ-110

December-2016

B.B.A., Sem.-III

CC-204 : Managerial Economics – I

3942163

Time : 3 Hours] **[Max. Marks : 70**

1. (a) Define Managerial Economics. Discuss its scope in detail. 7

OR

Differentiate :

(i) Individual demand and market demand.

(ii) Demand for durable goods and non-durable goods.

(b) Discuss the main characteristics of Managerial Economics in detail. 7

OR

Define Demand Forecasting. Explain the indirect methods of demand forecasting.

2. (a) Explain the consumer equilibrium with the help of indifference curve and price line. 7

OR

Explain the characteristics of indifference curve with the help of diagram.

(b) Write a note on consumer surplus with reference to ordinal approach. 7

OR

Explain the price effect and substitution effect in detail.

3. (a) Explain the types of cross elasticity of demand. 7

OR

Explain the factors affecting price elasticity of demand.

(b) Explain the types of price elasticity of demand. 7

OR

Calculate cross elasticity of demand between tea and coffee on the basis of the following data :

Commodity	Original		New	
	Price (₹)	Quantity (Units)	Price (₹)	Quantity (Units)
Tea	3	50	3	60
Coffee	4	30	5	20

4. (a) Explain the law of variable proportion with diagram. 7

OR

Explain the concept of Fixed Cost, Variable Cost and Total Cost with the help of diagram.

(b) Explain the concept of Returns to Scale in detail. 7

OR

Write notes on :

(i) Opportunity cost

(ii) Average cost and marginal cost

5. Answer the following questions : 14

(1) Define positive approach.

(2) Give any two examples of consumer perishable goods demand.

(3) Define Demand Forecasting.

(4) Managerial Economics is ______

(a) positive (b) Normative

(c) Both (a) and (b) (d) Neither

(5) Define price effect.

(6) Indifference curve analysis is based on ______ approach.

(7) Slope of AFC is ______.

(a) Rectangular Hyperbola (b) Positive

(c) Horizontal (d) Vertical

(8) Trend projection method is direct method of demand forecasting. (True/False)

(9) Define Production Function.

(10) Non-durable goods are used more than one time. (True/False)

(11) Define Opportunity Cost.

(12) What would be EC, when x and y are complementary goods ?

(a) Positive (b) Negative

(c) Zero (d) Infinite

(13) Define Iso-quant curve.

(14) All costs are variable in short-run. (True/False)