



Seat No. : _____

TP-113

B.B.A. Sem.-III

May-2013

CC-204 Managerial Economics – I

Time : 3 Hours]

[Max. Marks : 70

1. (A) Define Managerial Economics. Discuss scope of managerial economics in detail. 7

OR

How demand forecasting is important for any business firm in the decision making.

- (B) Explain the difference between : 7

- (1) Producer's demand and consumers' demand.
(2) Durable goods' demand and non-durable goods' demand.

OR

What is demand forecasting ? Discuss different direct methods of demand forecasting.

2. (A) What is Indifference Curve ? Discuss its features in detail. 7

OR

Discuss consumer's surplus with the help of Indifference Curve approach.

- (B) Explain the following concepts : 7

- (1) Price effect
(2) Income effect
(3) Substitution effect

OR

Explain consumer's equilibrium with ordinal approach.

3. (A) What is income elasticity of demand ? Discuss its types. 7

OR

Explain total outlay method of measuring price elasticity of demand.

- (B) Discuss different factors affecting price elasticity of demand. 7

OR

What is cross elasticity of demand ? Discuss degrees of cross elasticity of demand.

4. (A) Write a detailed note on production function.

7

OR

Explain the relationship between AC & MC.

(B) Discuss various cost concepts in detail.

7

OR

Explain the law of variable proportions in detail.

5. Answer in short :

14

- (1) Define normative nature.
- (2) What is derived demand ?
- (3) State different methods of demand forecasting.
- (4) What is budget line ?
- (5) What is marginal rate of substitution ?
- (6) State conditions of consumer's equilibrium.
- (7) Give the formula to explain the relationship between Revenue & Elasticity.
- (8) Define price elasticity of demand.
- (9) Explain marginal productivity.
- (10) Define fixed cost.
- (11) MC curve has which type of shape ?
- (12) What is implicit cost ?
- (13) Define price effect.
- (14) What is market demand ?
