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Total No. of Pages : 02

Total No. of Questions : 17

M.Com. (2018 & Onwards) (Sem.–1)

MANAGERIAL ECONOMICS

Subject Code : MCOP-102-18

M.Code : 75334

Time : 3 Hrs. Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A contains EIGHT questions carrying TWO marks each and students has to attempt ALL questions.**
2. **SECTION-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.**
3. **SECTION-C is COMPULSORY and consist of ONE Case Study carrying TWELVE marks.**

SECTION-A

Write short notes on :

1. Differentiate between Law of Demand and Elasticity of Demand.
2. What are the objectives of pricing strategies?
3. Show the substitution effect of a rise in price.
4. Write a short note on principle of time perspective.
5. Differentiate between Gross National Disposable Income and Net National Disposable income.
6. Explain the relationship between Total Revenue, Average Revenue and Marginal Revenue.
7. Explain briefly Diamond Water Paradox.
8. What are the conditions of the equilibrium of the firm under perfect competition?

SECTION-B

UNIT-I

9. "*Managerial Economics is the integration of Economic Theory with Managerial Practice for the purpose of facilitating decision making*". Explain.

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10. What is consumer's equilibrium? Show with the help of indifference curve analysis how the consumer attains equilibrium when marginal rate of substitution of X for Y is equal to the ratio of prices of X and Y.

UNIT-II

11. Define Isoquants with diagrams. Explain the relationship between Isoquants and Returns to Scale. Also explain various phases of Returns to Scale.

12. "*The Long Run Average cost curve is more likely to be L shaped than U shaped*." Discuss statement.

UNIT-III

13. What is an oligopoly? What are its different types? Explain the Edgeworth's model of oligopoly.

14. "*The monopoly price is always higher than the competitive price, whereas the monopoly output is less than the competitive output*". Explain the statement.

UNIT-IV

15. Explain the Hicksian model of trade cycle. Bring out the difference between Hicks model and Samuelson's model of trade cycle.

16. Distinguish between Demand Pull and Cost Push Inflation. What are the various methods to control inflation?

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SECTION-C

17. Case Study :

A woman managing a photocopying establishment in the U.S. for $25,000 per year decides to open her own duplicating place. Her revenue during the first year of operation is $120,000, and her expenses are as follows: Salaries to hired help $45,000 Supplies 15,000 Rent 10,000 Utilities 1,000 Interest on bank loan 10,000.

Calculate the explicit costs, implicit costs, business profit, economic profit, the normal return on investment in this business.

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.

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