Code No. : **9002**

FACULTY OF MANAGEMENT
M.B.A. I Semester (New) Examination, Dec. 2012/Jan. 2013
MANAGERIAL ECONOMICS
Paper : Course No. 1.2

Time: 3 Hours]   [Max. Marks: 80

Note : Answer **all** the questions.

SECTION – A   **(10×2=20 Marks)**

1. a) Micro and Macro Economics

    b) Law of Demand

    c) Equi-Marginal Concept

    d) Learning Curve

    e) Fixed cost and Variable costs

    f) Types of Inflation

    g) Nash Equilibrium

    h) Effective Demand

    i) Cross Elasticity of Demand

    j) Managerial uses of production function.

SECTION – B   **(5×12=60 Marks)**

2. a) "Managerial Economics is the discipline which deals with the application of economic theory to business management". Explain your answer by pointing out how managerial economics differs from economics.

                OR

    b) Explain and illustrate the significance of the following for decision making in business.

        a) Discounting principle

        b) Time perspective

        c) Incremental reasoning.

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3. a) Distinguish between

   i) Demand for Producer's goods and Consumer goods

   ii) Demand for Durable goods and Non-durable goods

   iii) Company demand and Industry demand.

<div align="center">OR</div>

  b) Explain the following elasticity concepts :

   i) Perfectly Elastic

   ii) Perfectly Inelastic

   iii) Unity Elastic

   iv) Relatively Elastic

   v) Relatively Inelastic.

4. a) Define a production function. Explain and illustrate isoquants and isocost curves.

<div align="center">OR</div>

  b) Distinguish between

   i) Total cost, Average cost and Marginal costs and Variable costs

   ii) Historical cost and Replacement cost

   iii) Past and Future costs.

5. a) What are the main features of pure competition ?

<div align="center">OR</div>

  b) Discuss the main features of monopolistic competition. How can such competition be sustained ?

6. a) What is National Income ? How it is calculated ? What are the problems in calculation of National Income of a country.

<div align="center">OR</div>

  b) Distinguish between classical and Keynesian approaches. Which one is most scientific and relevant to a country like India ?

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