

Total No. of Pages : 02

Total No. of Questions : 09

BBA(RD)/BBA/BBA(SIM)/BBA(Business Economics) (2018 Batch)(Sem-1)

MANAGERIAL ECONOMICS I

Subject Code : BBAGE-101-18

Paper ID : [75084]

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.**
2. **SECTIONS-B consists of FOUR Sub-sections : Units-I, II, III & IV.**
3. **Each Sub-section contains TWO questions each, carrying TEN marks each.**
4. **Student has to attempt any ONE question from each Sub-section.**

SECTION-A

1.
 - a) Define Opportunity Cost.
 - b) What is the concept of scarcity?
 - c) What is Price Line?
 - d) What is an isoquant?
 - e) How does price determine the demand of a normal commodity?
 - f) What happens to total revenue in case of perfectly inelastic demand of a commodity with rise in its price?
 - g) What do you understand by large number of buyers and sellers under perfect competition?
 - h) What is advertising cost?
 - i) What is real interest rate?
 - j) Define the term 'Normal Profit'.

SECTION-B

UNIT-I

2. What is managerial economics? Describe its nature and scope.
3. Define Indifference Curve. Explain its various properties.

UNIT-II

4. What is the Law of Diminishing Marginal Returns? What are the main assumptions of this law?
5. Explain the reasons for U shape of average variable cost curve.

UNIT-III

6. Discuss the conditions for price discrimination under monopoly.
7. Explain the relationship between average revenue and marginal revenue under perfect competition.

UNIT-IV

8. Discuss Innovation Theory of profit.
9. Explain Liquidity Preference Theory of rate of interest.