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Total No. of Pages : 2

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**M.Sc.(Fashion Marketing Management) (2018 Batch) (Sem.-1)****BASICS OF ECONOMICS****Subject Code : MSFMM-107-18 (Non Core)****Paper ID : [75290]****Time : 3 Hrs.****Max. Marks : 60****INSTRUCTION TO CANDIDATES :**

1. **SECTION-A** is **COMPULSORY** consisting of **TEN** questions carrying **TWO** marks each.
2. **SECTIONS-B** consists of **THREE** Sub-sections : **Units-I, II & III.**
3. Each Sub-section contains **TWO** questions each, carrying **TEN** marks each.
4. Attempt any **FOUR** questions, **ONE** from each Sub-section and fourth from any sub-section.

**SECTION-A****Q1. Write briefly :**

- a) Opportunity cost.
- b) Normative science.
- c) Variable reserve ratio.
- d) Cross elasticity of demand.
- e) Delphi Method.
- f) Diseconomies of scale.
- g) Average cost in long run.
- h) Product life cycle pricing.
- i) Economic analysis under capital budgeting process.
- j) Uncertainty and risk.

## **SECTION-B**

### **UNIT-I**

- Q2. Define managerial economics and describe its nature and scope. Also state its importance in business decision making process.
- Q3. What are the important considerations pertaining to GDP, GNP, Bank credit and common market operations while doing business decision analysis?

### **UNIT-II**

- Q4. What do you mean by elasticity of demand? Explain its degrees and measurement methods.
- Q5. Define producer equilibrium. How does a producer determine his equilibrium in short run time framework?

### **UNIT-III**

- Q6. Demonstrate equilibrium, output and price determination of a perfectly competitive firm under short and long run.
- Q7. Elaborate key aspects of decision making process under risk and uncertainty.