



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 ?
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