

Seat No. : _____

DE-102

December-2021

BBA., Sem.-III

204 : Managerial Economics – I

Time : 2 Hours]

[Max. Marks : 50

- Instructions :** (1) All Questions in **Section-I** carry equal marks.
(2) Attempt any **TWO** questions in **Section-I**.
(3) Question **5** in **Section-II** is **Compulsory**.

Section – I

1. (A) Discuss the meaning and nature of Managerial Economics. **10**
(B) Discuss the direct methods of Demand Forecasting. **10**
2. (A) Explain the meaning and characteristics of indifference curve with the help of diagrams. **10**
(B) Explain consumer's equilibrium with the help of indifference curve. **10**
3. (A) Discuss the meaning and types of price elasticity of demand with diagrams. **10**
(B) Discuss the meaning and types of cross elasticity of demand with diagrams **10**
4. (A) Discuss the Law of variable proportion with the illustration and diagram. **10**
(B) Explain the relationship between Average Cost and Marginal Cost with the help of diagram. **10**

Section – II

5. MCQs. (any ten) **10**
 - (1) Which one of the following is not the scope of Managerial Economics ?
(a) Theory of Profit (b) Theory of Demand
(c) Population Theory (d) Environmental Issues
 - (2) Which one is an example of non-durable good ?
(a) Fruit (b) Car
(c) Fan (d) Chair
 - (3) Which one is Indirect method of demand forecasting ?
(a) Complete Enumeration (b) Consumer's Survey method
(c) Sample Survey method (d) Trend method
 - (4) When the demand for a product depends on the demand for some other commodities, it is called _____.
(a) Autonomous Demand (b) Derived Demand
(c) Market Demand (d) Individual Demand

- (5) Indifference curve analysis is based on the concept of _____.
- (a) Cardinal utility (b) Ordinal utility
(c) Time utility (d) Zero utility
- (6) The economist who developed the concept of Consumer's surplus ?
- (a) Marshall (b) Pigou
(c) Hicks (d) Keynes
- (7) The Price of X product is ₹ 10 and the quantity demanded is 1000 units. If price falls to ₹ 9 the demand increases to 1200 units. So find out the price elasticity of demand.
- (a) 1 (b) 5
(c) 0 (d) 2
- (8) When the income of consumer is ₹ 2,500 he purchases 20 units of Product X, when his income increases to ₹ 3,000 he purchases 25 units of product X, so find out the income elasticity of demand.
- (a) 1.5 (b) 1.25
(c) 3 (d) 2
- (9) In which case all costs are variable ?
- (a) Long-run (b) Short-run
(c) No-run (d) Very short-run
- (10) Total Fixed Cost is ₹ 2,000, total variable cost is ₹ 4,000 and output is 3 units find out the Average Cost of Production.
- (a) 6000 (b) 1000
(c) 3000 (d) 2000
- (11) The Law of returns to scale is associated with the _____ production process.
- (a) Long-run (b) Short-run
(c) One day (d) One week
- (12) Income elasticity of demand is _____ for inferior goods.
- (a) Positive (b) Zero
(c) Negative (d) Less than Unity
- (13) Which one is producer good ?
- (a) Clock (b) Cake
(c) Tea (d) Machinery
- (14) Information about current demand of a firm's product is known as _____.
- (a) Demand Estimation (b) Demand Forecasting
(c) Both (a) and (b) (d) None of these
- (15) Indifference curve is also known as equal utility curve
- (a) False (b) True
(c) Both true and False (d) No comment