

Seat No. : _____

JI-106

January-2021

BBA, Sem.-III

CC-204 : Managerial Economics-I

Time : 2 Hours]

[Max. Marks : 50

- Instructions :** (1) All the 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) What is managerial economics ? Explain its nature in detail. **10**
(B) What is Demand Forecasting ? Elaborate direct methods of demand forecasting. **10**
2. (A) Explain the concept of substitution effect given by Slutsky with the help of diagram. **10**
(B) What is indifference curve ? Explain its properties. **10**
3. (A) What is price elasticity of demand ? Explain its various types. **10**
(B) What is income elasticity of demand ? Explain the factors affecting income elasticity of demand. **10**
4. (A) What are the different types of costs in Short run ? **10**
(B) Explain the law of variable proportion with diagram. **10**

Section – II

5. MCQs (Any **ten** out of **twenty**) **10**
 - (1) Managerial Economics is _____. (Conceptual/Metical/Both/neither)
 - (2) In _____ there is no difference in the market between firm demand and industry demand. (Perfect Competition/Monopoly/Oligopoly)

- (3) _____ is not a direct method of demand forecasting.
(Sample Survey method/Expert Opinion/Controlled experiment/Trend projection)
- (4) Demand forecasting is made _____
(For the substitutes only/for the existing products only/New products only/For both the existing products & for the new products)
- (5) The heart of the survey method is _____
(Consumer panel/Direct interview/Opinion of the sales representatives/ Questionnaire)
- (6) Who is the father of managerial economics ?
(Adam Smith/Joel Dean/Mc Nair Meriam/ Marshall)
- (7) A consumer is in equilibrium when marginal utilities from two commodities are _____.
(Minimum/Highest/Equal/Increasing)
- (8) “The shape of Indifference curve can be concave.” (True/False)
- (9) Indifference curves are convex to the origin because :
(A) Two goods are perfect substitutes
(B) Two goods are imperfect substitutes
(C) Two goods are perfect complementary goods
(D) None of the above
- (10) Write the formula of point price elasticity of demand.
- (11) The demand for luxurious goods is _____ in the long run.
(inelastic/more elastic/less elastic)
- (12) The price elasticity of a straight-line demand curve varies from zero to infinity.
(True/False)
- (13) For complementary goods, the cross elasticity will always be negative.
(True/False)
- (14) When the income elasticity is negative, the good is a Superior good.
(True/False)
- (15) Average revenue is generally also referred as _____. (cost/price/revenue)
- (16) The time period during which at least one input is fixed is called long run.
(True/False)
- (17) In _____ stage of production, any additional input employed would lead to a fall in output. (first/ second/third)
- (18) Fixed costs can be altered in short run. (True/False)
- (19) In the long run output can be _____ by increasing the scale of operations.
(increased/decreased/constant)
- (20) When the demand for a product is independent, it is called derived demand.
(True/False)