

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