

Roll No.

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CMBA/D-22

27202

MANAGERIAL ECONOMICS

Paper-MBA-102

Time Allowed : 3 Hours]

[Maximum Marks : 70

Note : Attempt six questions in all. Question No. 1 is compulsory. Attempt any five questions out of the remaining eight questions carrying 10 marks each.

Compulsory Question

1. State and explain the following : $5 \times 4 = 20$
- "Profit is reward of Innovations".
 - Significance of the demand elasticities.
 - Difference between the Income effects and the substitution effects.
 - Relationship between the Average revenue, Marginal revenue and Price elasticity of demand.
 - Degrees of Price discrimination.
2. How does the theory of Firm provide an integrated Framework for the analysis of Managerial decision-making process across the functional areas of Business ? Explain. 10

What is the most plausible objective of Business firms ? What is the controversy on profit maximization Hypothesis ? How will you react to this controversy ?

4,3,3

4. Critically examine the reliability of demand or economic activity forecasting in the Indian Economy ? Why is still useful to pursue forecasting ? Explain. 6,4

5. Under what conditions can it be sure that perfect competition leads to more efficient use of Society's resources ? How prevalent are these conditions in the real world ? 6,4

6. What shape of the LAC (Long Run Average Cost) curve has been found in many empirical studies ? What does it mean for the survival of small firms in the Industry ? <https://www.kuonline.in> 5,5

7. What are the distinguishing characteristics of Oligopoly in relation to other market organizations ? What is the significance of this ? 7,3

8. What are the advantages and disadvantages of cost-plus pricing ? Why is incremental cost pricing is considered the best pricing method ? Explain. 5,5

9. Why has Inflation become a global phenomenon these days ? Why has monetary interventions not been so successful to rein in Inflation ? Explain. 5,5