

Institute of Distance & Open Learning
MMS Programme: Semester – I (2022-23)
Managerial Economics - 75 Marks

Instructions

1. Q1 (20 marks) & Q8 (15 marks) are compulsory
 2. Attempt Any Four (40 marks) out of Q2, Q3, Q4, Q5, Q6 and Q7
 3. Students have to attempt any four out of the remaining six questions and within each question; students have to attempt any two out of three sub – questions. Each sub – question would carry 05 Marks
 4. Figures to the right indicate full marks
 5. Draw neat diagrams wherever necessary
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Q1 Read and attempt - compulsory (20 marks)

You are the production manager of a medium enterprise manufacturing moulded luggage. This is the season for travel and vacation. You are required to carryout demand analysis for the moulded luggage. Explain in detail how you would be carrying out the demand analysis for the same.

Q2 Answer any two from the following (10 Marks)

- (a) What is the scope of Managerial Economics? (5 marks)
- (b) State with example the concept of scarcity and choice. (5 marks)
- (c) Define the degrees of price elasticity of demand (5 marks)

Q3 Answer any two from the following (10 Marks)

- (a) What are the features of demand forecasting? (5 marks)
- (b) Bring out the factors determining the supply of a commodity (5 marks)
- (c) How is the equilibrium price determined? (5 marks)

Q4 Answer any two from the following (10 Marks)

- (a) State and explain the short run cost function. (5 marks)
- (b) What are the economies of scale? (5 marks)
- (c) Distinguish between total revenue, average revenue and marginal revenue (5 marks)

Q5 Answer any two from the following (10 Marks)

- (a) How do you determine the breakeven level of output? (5 marks)
- (b) What are the features of monopolistic market? (5 marks)
- (c) Write a brief note on Kinked Demand Curve. (5 marks)

Q6) Answer any two from the following (10 Marks)

- (a) What are the factors affecting the pricing decision by a firm? (5 marks)
- (b) State with example price penetration strategy (5 marks)
- (c) Distinguish between accounting profit and economic profit (5 marks)

Q7) Answer any two from the following (10 Marks)

- (a) Write short notes on profit maximisation hypothesis (5 marks)
- (b) What are the steps in capital budgeting? (5 marks)
- (c) What is pay back period in project appraisal? (5 marks)

Q8) Write Short Notes on any three (15 Marks)

- (a) Price Elasticity and demand relationship (5 marks)
- (b) Increasing cost conditions (5 marks)
- (c) Changes in supply on equilibrium price (5 marks)
- (d) Consumer's surplus (5 marks)

Note:

A Student has to separately secure minimum 50% marks in the Internal assessments and secure minimum 50% marks in the Semester End Examination in every subject to be declared as Pass.