

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 the following (20 marks)

You are a business economist at the Houston's Restaurants. The marketing manager of the firm has provided the information stating that more and more people are having lunch on the go and that this trend is expected to continue for the next four to five years. Advise on the business prospects for the the firm based on your understanding of demand and supply analysis for Houston's Restaurants

Q2 Any two from the following: (10 Marks)

- (a) State Domonic Salvatore's model of managerial economics (5 Marks)
- (b) Bring out the scope of managerial economics (5 Marks)
- (c) Explain the concepts of scarcity and choice in managerial decision making (5 Marks)

Q3 Any two from the following: (10 Marks)

- (a) Write a brief note on primary sources of data for demand forecasting (5 Marks)
- (b) Bring out the significance of Law of Demand in business decisions (5 Marks)
- (c) What is the necessity of ceteris paribus in the theory of demand? (5 Marks)

Q4 Any two from the following: (10 Marks)

- (a) Distinguish between fixed and variable costs (5 Marks)
- (b) What are the external economies of scale? (5 Marks)
- (c) Examine briefly the revenue behaviour under perfectly competitive market structure (5 Marks)

Q5 Any two from the following: (10 Marks)

- (a) State with an example determination of break-even sales with relevant example (5 Marks)
- (b) What are the features of a monopoly market? (5 Marks)
- (c) Write a brief note on cartel formation under oligopoly (5 Marks)

Q6 Any two from the following: (10 Marks)

- (a) What are selling costs? Why are they important under imperfect competition? (5 Marks)
- (b) State with example the pricing policy for existing products (5 Marks)
- (c) Briefly discuss about the wastages under monopolistic competition? (5 Marks)

Q7 Any two from the following: (10 Marks)

- (a) Write short notes long run equilibrium under perfect competition (5 Marks)
- (b) State and explain the demand for capital (5 Marks)
- (c) Explain with an example the Pay Back Period method of project appraisal (5 Marks)

Q8 Write short notes on Any three the following: (15 Marks)

- (a) Cross elasticity of demand (5 Marks)
- (b) Constant cost conditions (5 Marks)
- (c) Exceptions to the Law of Supply (5 Marks)
- (d) Linear Demand Curve(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.
