

[Time: 2.30 Hrs]

[Marks: 75]

Please check whether you have got the right question paper.

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.

Q.1 Read and attempt the following:

- (a) The Times of India reported that the toll on the Mumbai- Pune Express was raised from Rs. 100/- to Rs. 150/-. The authorities concerned justified the increase on a host of factors including rising labor and maintenance cost. Following the toll increase, traffic fell by 5 %. The chairman of bridges finance auditing committee, warned that the toll increase could affect toll revenue. 10 Marks
- i) By what percentage would revenue change as a result of the increase in toll prices?
 - ii) If the toll is reduced by 10%, will it result in increased revenue?
- (b) Consider the demand for tea. If the price of a substitute good (for example coffee) increases and the price of a complement good (for example, sugar) increases, can you tell surely what will happen to the demand for tea? Why or why not? 10 Marks

Q.2 Attempt any two of the following:

10 Marks

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

Q.3 Attempt any two of the following:

10 Marks

- (a) Discuss the several types of elasticity of demand.
- (b) Explain the various methods of demand forecasting.
- (c) Indicate and explain the equilibrium point with the help of supply and demand curves.

- Q.4** Attempt any two of the following: 10 Marks
- (a) State and explain the short run cost function.
 - (b) What are the economies of scale?
 - (c) Distinguish between total revenue, average revenue and marginal revenue
- Q.5** Attempt any two of the following: 10 Marks
- (a) Explain the various concepts of costs in brief.
 - (b) Elaborate the Break-Even Analysis.
 - (c) Explain the features of perfect competition.
- Q.6** Attempt any two of the following: 10 Marks
- (a) Explain the stage of Super Normal Profit in perfect competition with the help of diagram.
 - (b) Discuss the features of monopolistic competition.
 - (c) What are the factors of affecting pricing decision?
- Q.7** Attempt any two of the following: 10 Marks
- (a) Write short notes on profit maximisation hypothesis
 - (b) What are the steps in capital budgeting?
 - (c) What is pay back period in project appraisal?
- Q.8** Write short notes on Any three the following: 15 Marks
- (a) Price Elasticity and demand relationship
 - (b) Increasing cost conditions
 - (c) Changes in supply on equilibrium price
 - (d) Consumer's surplus

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