

Roll No.

Total No. of Questions : 07]

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MBA (Sem. - 1st)
MANAGERIAL ECONOMICS

SUBJECT CODE : MB - 105

Paper ID : [C0105]

[Note : Please fill subject code and paper ID on OMR]

Time : 03 Hours

Maximum Marks : 60

Instruction to Candidates:

- 1) Section - A is **Compulsory**.
- 2) Attempt any **Four** questions from Section - B.

Section - A

Q1)

(10 × 2 = 20)

- a) What is the nature and scope of managerial economics?
- b) What will be the effect on the demand for a commodity if the price of its substitute falls?
- c) Distinguish between Explicit costs and Implicit costs.
- d) Define marginal rate of substitution.
- e) Define price discrimination.
- f) What do you mean by effective demand?
- g) What are the difficulties in measurement of national income?
- h) Find out the value of investment multiplier when marginal propensity to save (MPS) is 0.3.
- i) Explain the problem of double accounting in national income estimation. How this problem can be avoided?
- j) What are the objectives of fiscal policy?

Section - B

(4 × 10 = 40)

- Q2)** Evaluate the trend Projection method and collective opinion method of demand forecasting.
- Q3)** Explain equilibrium of a firm under perfect competition in short run.
- Q4)** What are the main objectives of pricing policy? Explain the method of cost plus pricing.
- Q5)** Discuss classical theory of employment and income. What are its limitations?
- Q6)** What are the various features of a trade cycle. Explain the causes of trade cycles.
- Q7)** To what extent profit maximisation is the basic objective of a firm? Discuss various reasons for limiting profit.

