

**MBA I Year Examination**  
**MP-102 Managerial Economics**

**Time: 3 Hours**

**Max. Marks: 80**

**Note: The question paper is divided into three sections A, B & C. Write Answers as per the given instructions.**

**Section A**

**(Very Short Answer Type Questions )**

**Note: Answers all 8 questions. As per the nature of the questions you delimit your answer in one sentence up to 50 words. Each question carries equal marks. (Marks 2x8=16)**

1. Define managerial economics?
2. Why is demand forecasting important?
3. What is pricing strategy?
4. What is managerial utility function?
5. Define National income?
6. What do you mean by economic development?
7. What is fundamental disequilibrium?
8. What is profit?
9. What do you mean by elasticity of demand?
10. Define production function?
11. Classify the market on the basis of function?
12. What is Demand Forecasting?
13. What is circular flow of economic activities?
14. Give formula for NNP at market price?
15. What is cyclical disequilibrium?
16. State the law of demand?
17. What is Equilibrium in Economics?
18. Define cost function?
19. What is price discrimination?
20. Draw diagram for circular flow in a three sector economy?
21. What are the reasons for reasonable profit?
22. What is temporary disequilibrium?
23. Give formula for NNP at factor cost?
24. What is the Scope of Managerial Economics?

## Section B

### (Short Answer Type Questions)

**Note: Answer any 4 questions. Each answer should not exceed 100 words. Each question carries 08 marks. (Marks 8x4 = 32)**

1. Differentiate between increase and decrease in demand and extension and contraction of demand?
2. Explain the causes of constant returns to scale?
3. What are the characteristics of perfect competition?
4. What are the necessary conditions for price discrimination?
5. Differentiate between accounting profit and economic profit?
6. State the criticisms of Baumol's sales revenue maximizing model?
7. What are the effects of circular flow of income?
8. Explain different type of inflation?
9. Write a note on economies of scale?
10. What are the exceptions to the law of demand?
11. Explain short run cost function?
12. Is price discrimination harmful to society? Give reason to support your answer?
13. What are the problems in profit measurement?
14. Why was Marris theory criticized?
15. What is the importance of circular flow of income?
16. What are the features of Keynes theory of employment?
17. Write a note on relationship of managerial economics with economics and econometrics?
18. Differentiate between monopoly and monopolistic competition?
19. Give reasons for price rigidity?
20. Explain the objectives of a firm?
21. Why was Cyert and March behavioral theory criticized?
22. Explain wage theory of profit?
23. Write a note on gross national product?
24. What are the factors responsible for fall in production?

## Section C

### (Long Answer Type Questions)

**Note: Answer any 2 questions. Each answer should not exceed 800 words. Each question carries 16 marks. (Marks 2x16=32)**

1. What are different types of elasticities? Explain degree of price elasticity of demand?
2. Explain in detail the cost concept?
3. Explain transfer pricing.
4. Critically examine the economic theory of firm?
5. What are the determinants of economic growth?
6. Explain the measures adopted to check inflation?
7. What is the significance of National Income Statistics?
8. How is pricing done for established products?
9. Explain the characteristics of managerial economics?
10. What are the different methods of demand forecasting?
11. How are prices determined under perfect competition?
12. Write in detail the profit policy adopted by a firm?
13. What is the significance of National Income statistics?
14. What is the obstacle in economic growth?
15. Suggest measures to correct disequilibrium?
16. Explain transfer pricing?
17. Explain the factors influencing elasticity of demand?
18. Explain the law of variable proportions?
19. How is pricing done for established products?
20. How is circular flow of income determined?
21. How is financing done for economic development?
22. Differentiate between Balance of trade and Balance of Payments?
23. What are the causes of disequilibrium?
24. Explain the characteristics of managerial economics?