



I Semester M.B.A. (Day) Examination, March 2011
(2007-08 Scheme)

MANAGEMENT

Paper – 1.4 : Managerial Economics

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any six** questions. **Each** question carries **2** marks. (6×2=12)
- a) What is production possibility curve ?
 - b) What is opportunity cost ?
 - c) What is Economics of scope ?
 - d) What is snob appeal ?
 - e) What is cross elasticity ?
 - f) Define Marginalism.
 - g) What is learning curve ?
 - h) What is Economic profit ?

SECTION – B

Answer **any three** from the following. **Each** question carries **8** marks. (3×8=24)

- 2. What are the factors on which price elasticity of demand depends ?
- 3. Explain briefly various types of cost based and demand based pricing strategies.
- 4. Discuss return to scale with the help of Isoquant curves.
- 5. Briefly explain Marri's Growth Maximisation Model.
- 6. Why does a demand curve slope downward to the right ? Can a demand curve slope upward under any condition ?

P.T.O.



SECTION - C

Answer **any two** questions. **Each** question carries **twelve** marks. (2×12=24)

7. How does the kinked demand model of oligopoly lead to price rigidity ?
Discuss in detail.
8. Explain the equilibrium of the firm under monopoly (a) in the short run (b) in the long run.
9. Write short notes on :
 - a) Demand forecasting
 - b) Schumpeter's Innovation theory of profit.

SECTION - D

This section is **compulsory**.

(1×15=15)

10. Estimate the sales of Tractor for 2000 when firm income index is expected to be 240 :

Year	1993	1994	1995	1996	1997
Firm income index	100	110	140	150	200
Sales of Tractor	110	130	150	160	180