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