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Repeat Semester End Examination, Oct-Nov. 2019

Programme: B.COM

Subject: Managerial Economics (Old Syllabus)

Semester: I

Time: 2 hours

Max. Marks:80

Instructions:

1. The question paper contains 6 questions spread across 2 pages.
2. All Questions are Compulsory. However, internal choice is available.
3. Answer Q.1 & Q.2 in not more than 100 words each.
4. Answer Q.3 to Q.6 in not more than 400 words each.
5. Every main question should begin on a fresh page.
6. Figures to the right in brackets indicate maximum marks
7. The use of a simple calculator is allowed.

Q.1) Answer any four of the following.

(4 x 4 = 16)

- a) Define Managerial Economics.
- b) What is meant by a Firm?
- c) Write a short note on Opportunity Cost Principle.
- d) State the Law of Supply and its assumption.
- e) Distinguish between the Joint demand and Composite demand.
- f) Distinguish between the Autonomous demand and Derived demand.

Q.2) Answer any four of the following.

(4 x 4 = 16)

- a) Define Production function.
- b) Differentiate Average Product and Marginal Product.
- c) Distinguish between Accounting cost and Economic cost.
- d) Write a short note on Real cost.
- e) Write the differences between fixed cost and Variable cost.
- f) Write a note on internal economies of scale.

Q.3 A) Illustrate Extension and Contraction in Demand v/s Increase and Decrease in demand. (12)

OR

Q.3 X) Discuss the various Opinion Polling methods of Demand forecasting. (12)

Q.4 A) From the following data find out the *Cross Elasticity of Demand* and based on the co-efficient of elasticity state the type of commodity. (06)

Price of Coffee (Per Kgs.)	Demand for Tea (in Kgs.)
₹ 220	10
₹ 310	14

Q.4 B) Explain any two exceptions to the Law of demand. (06)

OR

Q.4 X) i) Find out TFC, TVC, AFC, AVC, AC and MC from the following table. (06)

Output	0	1	2	3	4	5	6	7
Total Cost	120	180	220	250	285	330	380	440

Q.4 Y) ii) From the findings, explain the shape of all the above concepts of costs. (06)

Q.5 A) Explain the 3 stages of Law of variable proportions with the help of a neat diagram. (12)

OR

Q.5 X) Discuss the Law of Increasing Returns to scale and Decreasing Returns to scale. (12)

Q.6 A) Explain the various forms of External Economies of scale. (12)

OR

Q.6 X) Explain the characteristics of the Long-run Average cost curve. (12)

X