

1M6114

Roll No. \_\_\_\_\_

Total No of Pages: **2**

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**M. B. A. I Sem. (Main/Back) Exam., Jan. 2016**  
**M-104 A Managerial Economics**

**Time: 3 Hours**

**Maximum Marks: 70**  
**Min. Passing Marks: 28**

*Instructions to Candidates:*

- (i) *The question paper is divided in two sections.*
- (ii) *There are sections A & B. Section A contains 6 questions out of which the candidate is required to attempt any 4 questions. Section B contains short case study / application based question which is compulsory.*
- (iii) *All questions carry equal marks.*

1. NIL

2. NIL

**SECTION-A**

- Q.1 (a) Define managerial economics. Discuss the significance of managerial economics. [8]
- (b) Explain the relationship of managerial economics with statistics. [6]
- Q.2 (a) Explain the alternative objectives of a firm. [6]
- (b) Describe briefly the incremental principle, discounting and equi-marginal principles. [8]
- Q.3 (a) Define demand. Discuss the various determinants of demand. [7]
- (b) Write short notes on- [7]
- (i) Price elasticity of demand
  - (ii) Income elasticity of demand

- Q.4 (a) Discuss skimming pricing and penetration pricing with suitable example. [7]  
(b) Define cost function. Discuss the various types of costs. [7]
- Q.5 (a) Explain the law of variable proportions with the help of graph. [7]  
(b) Write short notes on- [7]  
(i) Production function  
(ii) Marginal utility
- Q.6 (a) Describe the features of perfect competition market. [5]  
(b) Discuss the concept of National Income [5]  
(c) What are the determinants of short-term profit? [4]

### **SECTION-B**

Q.7 The following figures are extracted from the books of a manufacturing concern for the year 2012-2013.

Direct material	:	Rs.205000
Direct Labour	:	Rs. 75000
Fixed Overheads	.	Rs. 60000
Variable Overheads	:	Rs. 100000
Sale	:	Rs. 500000

- (a) Calculate the break-even point. [4]  
(b) What will be the effect on BEP of an increase of 10% in fixed expenses? [5]  
(c) What will be the effect on BEP of an increase of 10% in variable expenses? [5]