

00960

MASTER OF BUSINESS ADMINISTRATION
RETAIL SERVICES
(MBARS)

Term-End Examination

December, 2013

MRS-005 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 100

Note : Attempt any five questions. All questions carry equal marks.

1. What is managerial economics ? Explain the various functions of a managerial economist. 20
2. Distinguish between each of the following : 4x5=20
 - (a) Explicit cost and Implicit cost
 - (b) Fixed and Variable cost
 - (c) GDP and GNP
 - (d) National Income and Per Capita Income
3. Draw the relationship between the long-run and short-run average and marginal cost curves when the LRAC is rising. 20
4. Write short notes on : 20
 - (a) Monetary policy
 - (b) Cross-elasticity of demand
 - (c) Inflation Rate
 - (d) Human development Index

5. Can a perfectly competitive firm ever maximize profit by operating on the downward-sloping portion of its MC curve ? Why ? 20
 6. Explain why the maximin decision rule is more appropriate under oligopoly than under perfect competition or monopolistic competition. 20
 7. Explain why unions are stronger when the demand for labour is less elastic. 20
 8. Has the globalization of financial markets diminished the power of the monetary authorities to influence their own economy ? 20
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