

**M.Sc. FASHION MERCHANDISING AND  
RETAIL MANAGEMENT (MSCFMRM)**

**Term-End Examination**

**December, 2014**

00345

**MFW-008 : MANAGERIAL ECONOMICS**

*Time : 3 hours*

*Maximum Marks : 70*

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**Note :** *Attempt any seven questions. All questions carry equal marks.*

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1. What is meant by law of demand ? Why is the demand curve sloping downward ? Also explain the exceptions of law of demand. 10
  
2. What is deflation ? Explain the methods to control deflation. 10
  
3. What is Average cost ? Explain the relationship between Average cost and Marginal cost (with graph). 10
  
4. What is Explicit cost and Implicit cost ? Why does an economist classify Normal Profit as a cost ? 10

5. What is Consumption function ? How is it different from Saving function ? Show the relationship between the following items : 10
- APC + APS = 1
- MPC + MPS = 1
6. Define Monopoly market. How is it different from Oligopoly market ? 10
7. Define Economies. Discuss the different types of economies with suitable examples. 10
8. Distinguish between the following (with graph) : 10
- (a) Normal goods and Inferior goods
  - (b) Complementary goods and Substitute goods