

**MBA IN INTERNATIONAL HOSPITALITY
MANAGEMENT**

Term-End Examination

December, 2013

MHY-007 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 100

Note : *Attempt any five questions.*

All questions carry equal marks.

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1. Managerial Economics is both descriptive and perspective . Discuss. **20**
 2. State the law of demand. Describe the income and substitution effects of change in price. **20**
 3. What do you mean by equilibrium of a consumer ? Explain with the help of utility analysis. **20**
 4. Write notes on : **10x2=20**
 - (a) Returns to scale
 - (b) Engineering cost curves.
 5. Explain the Baumol's sales maximisation model in detail. **20**
 6. Write notes on : **10x2=20**
 - (a) Game theory
 - (b) Revenue curves

7. What is transfer pricing ? How is it determined if 20
(a) there is no external market for the transfer product and
(b) there is no external market for it ?
8. Define the term 'risk' , 'uncertainty' and 'strategy' 20
in the process of decision-making by a firm.
9. Write notes on : 5x4=20
(a) National Income
(b) Business cycles
(c) Macro economics
(d) Inflation
10. Write notes on : 5x4=20
(a) Indifference curves and Consumer choice
(b) Cartel Behaviour
(c) Shut - down points
(d) Investment decisions
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