

00503

EXECUTIVE MBA (EXMBA)

Term-End Examination

December, 2012

MCT-051 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 100

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

1. Discuss the nature and scope of economics in relation to business. 20

2. Distinguish between any four of the following : $4 \times 5 = 20$
 - (a) Fixed cost and variable cost.
 - (b) Monopoly and Monopsony.
 - (c) Complementary goods and supplementary goods.
 - (d) Risk and Uncertainty.
 - (e) Change in demand and elasticity of demand.

3. Distinguish between Perfect Competition and Monopolistic Competition. Support your answer with suitable examples. 20

4. Examine the concepts of price elasticity of demand, income elasticity of demand and cross elasticity of demand and discuss their usefulness to business units. 20
5. What methods do businessman employ in setting prices? 20
6. Define monetary policy. State its main tools and discuss any two of them. 20
7. Write short **notes** on : 4x5=20
- (a) CPI
 - (b) Balance of Payments
 - (c) Fiscal Policy
 - (d) Production Function
8. State the salient features of LAC curve and discuss its usefulness in managerial decision-making. 20
-