

00583

**MASTER OF BUSINESS ADMINISTRATION
(MBACN)**

**Term-End Examination
December, 2012**

MCN-002 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 100

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

1. Explain the nature of problems studied in managerial economics. What is the importance of the study of such problems in business management ? 20
2. What are the problems faced in determining the demand for a durable product ? Illustrate your answer with examples. 20
3. Distinguish between the following : 4x5=20
 - (a) Substitution Effect and Income Effect
 - (b) Superior goods and Inferior goods
 - (c) Absolute cost and Opportunity cost
 - (d) Production function and Cost function

4. (a) Explain the cost-output relationship in the short-run. **2x10=20**
(b) Define elasticity of supply. How does it differ from change in supply ?
5. Explain the conditions for the establishment of firm's equilibrium under perfect competition. **20**
6. Critically examine price as a weapon of competition. **20**
7. Discuss the managerial uses of break-even analysis as a tool for profit planning. What are its limitations ? **20**
8. Write short notes on : **4x5=20**
(a) Technique of business forecasting
(b) Imperfect competition
(c) Economies of scale
(d) Demand schedule
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