

**MASTER OF BUSINESS
ADMINISTRATION (RETAIL SERVICES)
(MBARS)**

Term-End Examination

December, 2012

MRS-005 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 100

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

1. Define managerial economics and discuss its scope. 20
2. What is meant by Demand Schedule, Demand Curve and Demand Function ? Show how market demand is calculated from individual demands. 20
3. (a) Distinguish between incremental revenue and marginal revenue. 20
(b) Suppose the price of a commodity falls from Rs.10 to Rs.9 per unit and its sales go up from 2,000 units to 3,000 units. Calculate incremental revenue and marginal revenue. 20
4. State basic differences between sunk, shutdown and abandonment costs. Give examples. 20

5. Distinguish between production function and cost function. How would you develop the production function ? What are its uses ? 20
6. Explain the meaning of term 'industry'. Examine how long-run adjustment takes place in an industry. 20
7. What is price-discrimination ? What are the essential conditions for successful practice of price-discrimination ? Give examples of price discrimination that are commonly noticed. 20
8. Write short notes on : 5x4=20
- (a) Income Elasticity of Demand
 - (b) Business Cycle
 - (c) Opportunity Cost
 - (d) National Income
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