

**B.Sc. FASHION MERCHANDISING AND  
RETAIL MANAGEMENT (BSCFMRM)**

**Term-End Examination**

00016

**December, 2014**

**BFW-003 : 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. Explain and illustrate the various Returns to Scale. 10
2. What is inflation ? Discuss the various methods to control inflation. 2+8=10
3. What do you understand by the term 'demand' in economics ? What is law of demand ? Discuss. 10
4. What is National Income ? How is it different from Domestic Income ? Explain the Income method to calculate the National Income. 10
5. What is Monopolistic Market ? Discuss how it is different from Monopoly Market. 10

6. What is the effect on Equilibrium level of price, when
- (a) supply decreases and demand is inelastic ?
  - (b) supply and demand increase in the same proportion ?
- 10
7. What is the explicit and implicit cost ? Why does the economist classify normal profit as a cost ? Discuss.
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8. What is perfect competition market ? What are its features ? Discuss how the price of the commodity is determined in the short-run under perfect competition market.
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