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**BFW-003**

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

**Term-End Examination**

**December, 2015**

**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. Define Demand concept. What are the factors affecting the demand ? Why does the demand curve slope downward ? What are the exceptions to the law of demand ? 10
2. What is Production Function ? Explain the Laws of Returns to Scale of the Production, with diagrams. 10
3. What is a Perfectly Competitive Market ? What are its features ? How is the price of a commodity determined under a perfectly competitive market ? 10
4. What is inflation ? What are the causes of inflation ? How is inflation controlled in an economy ? 10

5. The quantity previously demanded was 100 units. Decrease in quantity demanded is 5 units, due to increase in price of ₹ 5 and the price elasticity of demand is 1.2. Calculate the price before the change. 10
6. Define fixed cost of a firm. Is it correct to say that fixed cost is irrelevant for decision-making as it is unaffected by the level of output? 10
7. Explain the following with examples : 2×5=10
- (a) Explicit cost and Implicit cost
  - (b) Private cost and Social cost
8. Explain the central problems of an economy. 10
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