04621

MANAGEMENT PROGRAMME

Term-End Examination

December, 2015

MS-9 : MANAGERIAL ECONOMICS

Time : 3 hours   *Maximum Marks : 100*

Note : (i)   *There are **two** Sections : Section-A and Section-B.*

(ii) *Attempt **three** questions from Section-A carrying **20** marks each.*

(iii) ***Section-B** is **compulsory** and carries **40** marks.*

SECTION – A

1. Explain the equi-marginal principle. Elucidate with the help of examples.

2. Discuss any five variables, which can be included in the demand function and can have a major impact on the demand.

3. Explain the production function with two variable inputs i.e. production isoquants giving examples.

4. What is Oligopoly ? Explain the important characteristics of Oligopoly.

5. Write short notes on the following :
    (a) Bundling
    (b) Cartels.

SECTION - B

6. Assume a firm has the following total revenue and total cost functions :

    $$TR = 320Q - 2Q^2$$
    $$TC = 1800 + 50Q + 3Q^2$$

    Determine :
    (a) The level of output at which the firm will be maximizing profits ;
    (b) The level of output at which total revenue will be maximum.

7. (a) Explain why a firm facing a downward sloping demand curve would never produce the inelastic (ep < 1) portion of the demand curve.
    (b) When would the firm operate at the point where demand curve is unitary elastic ?