

00225

**B.Sc. FASHION MERCHANDIZING & RETAIL  
MANAGEMENT (BSCFMRM)**

**Term-End Examination**

**June, 2012**

**BFW-003 : MANAGERIAL ECONOMICS**

*Time : 3 hours*

*Maximum Marks : 70*

---

*Note : Attempt any seven questions and all question carry equal marks.*

---

1. Which of the following commodities has most inelastic demand? Give reasons for your answer. 10  
(i) Soap  
(ii) Salt  
(iii) Penicillin  
(iv) Ice-cream  
(v) Cigaretts.
  
2. Explain and illustrate the various Returns to Scale. 10
  
3. Discuss price and output determination under monopolistic competition in the short run. How monopolistic is different from perfect competition market? 10

4. A consumer buys 160 units of a set of goods at a price of Rs. 8.00 per unit. Price falls to Rs. 6.00 per unit. How much quantity will the consumers buy at the New price if elasticity of demand is  $(-2)$  ? 10
5. What is supply? What are the main determinants of the supply? What is supply function and also Explain supply schedule. (with graph). 10
6. What is National income? How many methods are there to calculate national income? Explain the income method to calculate national income with steps and precautions. 10
7. What is inflation? What are the methods to control inflation? Explain  
What impacts move on commodity pricing inflation rate or demand supply scenario? Explain. 10
8. What is the effect on Equilibrium Level of Price? 10  
(a) When Supply decreases and demand inelastic ?  
(b) When demand constant and supply change ?
-