

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

Term-End Examination

June, 2013

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 explain how it is related to Economics, Statistics, Mathematics and Accounting ? 20
2. State the relationship between price-elasticity of demand, average revenue, marginal revenue and total revenue. 20
3. Distinguish between the following : 5x4=20
 - (a) Substitution effect and Income effect
 - (b) Micro economics and Macro economics
 - (c) Actual Cost and Opportunity Cost
 - (d) Law of demand and Elasticity of demand

4. What is replacement cost ? Calculate total cost and marginal cost from the following data : 20

Unit of output	Fixed Cost (Rs.)	Variable Cost (Rs.)
0	350	0
1	350	145
2	350	190
3	350	335

5. What is oligopoly ? Explain price rigidity under oligopoly in terms of kinked demand curve. 20

6. Describe the various phases of business cycle. Discuss the steps a businessman may take to safeguard himself against the evil effects of business cycle. 20

7. Write short notes on : 5x4=20

- (a) Monopoly
 - (b) National Income
 - (c) Disinvestment Policy
 - (d) Price Discrimination
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