

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

Term-End Examination

00394

June, 2014

BFW-003 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 70

*Note : Attempt any **seven** questions. All questions carry equal marks.*

1. What will be the effect on equilibrium when inelastic demand and supply change ? Discuss. 10

2. Define Economics. What are the central problems of an economy ? How are they solved ?
 $2+4+4=10$

3. What is Inflation ? Write the features of Inflation. Discuss how the inflation can be controlled by monetary policy in an economy.
 $2+3+5=10$

4. Define National Income. Discuss the methods to calculate national income. 10

5. Distinguish between the following : $5+5=10$
 - (a) Private cost and Social cost
 - (b) Marginal cost and Average total cost

6. Discuss price and output determination under monopolistic competition in the short run. 10
7. A consumer buys 170 units of a set of goods at a price of ₹ 8.00 per unit. Price falls to ₹ 6.00 per unit. How much quantity will the consumer buy at the new price if elasticity of demand is (- 2)? 10
8. What is supply ? What are the main determinants of the supply ? Explain supply schedule with the help of graph. 2+4+4=10
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