

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

**Term-End Examination**

**00114**

**June, 2017**

**BFW-003 : MANAGERIAL ECONOMICS**

*Time : 3 hours*

*Maximum Marks : 70*

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**Note :** Attempt any **seven** questions. All questions carry equal marks. Use of scientific calculator is permitted.

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1. What is the law of demand ? Explain the market demand curve for a commodity to shift upwards and to shift downwards, by giving suitable examples. 10
  
2. Distinguish between the following (any **two**) :  $2 \times 5 = 10$ 
  - (a) Fixed costs and Variable costs
  - (b) Short run costs and Long run costs
  - (c) Direct costs and Indirect costs
  
3. What is supply curve ? Explain the main determinants of the supply curve. 10
  
4. What is National Income ? How many methods are there to calculate the national income ? Explain the income method to calculate the national income with steps and precautions. 10

5. What is deflation ? Explain the deflation control mechanism in an economy. 10
6. What is price discrimination ? Describe price discrimination as a characteristic of monopoly. 10
7. Define price elasticity of demand. Discuss with examples, the difference in demand curve for inferior and superior goods. 10
8. For a future requirement of ₹ 1,270, what equal payment is needed for five years when the rate of interest is 12% compounded annually ? 10
9. Critically explain the law of diminishing marginal utility. 10
10. Which of the following commodities has the most inelastic demand ? Give reasons for your answer : 5×2=10
- (a) Toothpaste
  - (b) Edible oil
  - (c) Fruit juice
  - (d) Mobile phone
  - (e) Wine
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