

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

Term-End Examination

June, 2015

00202

BFW-003 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 70

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

1. Define Economics. How can central problems in an economy be solved ? Discuss. 10
2. Define Supply. Explain the concept of increase and decrease in supply. How is it different from extension and contraction of supply ? 10
3. Explain monopoly market. How is it different from monopolistic market ? How will you determine price of the commodity in monopoly market ? 10
4. A consumer spends ₹ 400 on a commodity when its price is ₹ 2 per unit and spends ₹ 960 when its price is ₹ 4 per unit. What is the elasticity of supply for the commodity and what is its nature ? 10

5. How can the situation of deflation in an economy be controlled by the following tools : 10
- (a) Monetary Policy
 - (b) Fiscal Policy
 - (c) Foreign Trade Policy
6. What is Aggregate demand ? What are the components of Aggregate demand ? Explain. 10
7. What is the relationship between Average Cost (AC) and Marginal Cost (MC) ? Can Average Cost fall when Marginal Cost is increasing ? Show with diagrams. 10
8. What is Production Function ? Explain the variable returns to scale of production. 10
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