

EXECUTIVE MBA (EXMBA)

Term-End Examination

December, 2011

MCT-051 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 100

Note : Answer *any five* questions. All questions carry equal marks.

1. "Managerial economics is the discipline which deals with the application of economic theory to business management" ? Discuss. 20

2. Price is higher and the scale of output is smaller under monopolistic competition than under perfect competition. Explain with the suitable examples. 20

3. Distinguish between *any four* of the following : 5x4=20
 - (a) Explicit cost and Implicit cost
 - (b) Incremental revenue and marginal revenue
 - (c) Fixed and variable cost
 - (d) External economies and Internal economies
 - (e) GNP and GDP

4. Explain the relation between short-run and long-run average cost curves. Does the long-run average cost curve pass through the minimum points of the short-run average cost curve ? 20
5. What is meant by Monetary policy ? Explain the main objectives of monetary policy in India. 20
6. Write short notes on : 5x4=20
- (a) Cross elasticity of demand
 - (b) Cobb-Douglas production function
 - (c) EXIM Policy
 - (d) HDI
7. How do demand forecasting methods for new products vary from those for established products ? Explain with suitable examples. 20
8. (a) State the objectives of differential pricing.
(b) Are cyclical fluctuation necessary for economic growth ? 10x2=20
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