

**B.Sc. FASHION MERCHANDIZING & RETAIL
MANAGEMENT (BSCFMRM)**

Term-End Examination

December, 2011

BFW-003 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 70

Note : *Attempt any seven questions and each question carry equal marks.*

1. What do you understand by the term 'demand' 10
in economics ? What is law of demand ? Will a
beggar desiring to purchase Maruti Car constitute
demand ? Explain.
2. Distinguish between the following : 10
 - (a) Change in supply and elasticity of supply.
 - (b) Private cost and Social cost.
 - (c) Marginal cost and Average total cost.
3. What is national income ? How it is different from 10
Domestic income ? Explain the income method
to calculate the national income.

4. What is Inflation ? What are the features of inflation ? How to control the inflation by monetary policy in an economy ? Explain subsidies on specific commodities. 10
5. What is Monopolistic Market ? How it is different from Monopoly Market ? Explain how the price of the commodity determine in short run under monopolistic market ? Throw some light on administrative price mechanism prevalent in India. 10
6. Define Economics. What are the central problems of an economy ? How they are solved ? 10
7. What is the effect on Equilibrium Level of price, when : 10
- (a) Supply decreases and demand is inelastic ?
 - (b) When supply and demand increase in same Proportion ?
8. What is consumption function ? Show the relationship between : 10
- (a) APC and APS
 - (b) MPC and MPS
9. Explain the three stages of production with the help of TP, MP and AP. Explain (with diagram). 10