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**M.Sc. FASHION MERCHANDIZING & RETAIL  
MANAGEMENT (MSCFMRM)**

**Term-End Examination**

**December, 2011**

**MFW-008 : MANAGERIAL ECONOMICS**

*Time : 3 hours*

*Maximum Marks : 70*

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

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1. Explain the expenditure method of measuring national income. What precautions should be taken in estimating national income ? **10**
2. Distinguish between micro economics and macro economics. What are the basic's roots of central problem in an economy ? **10**
3. What is the Equilibrium Price ? Is it demand or supply ? Which is more active in determining price ? Explain. **10**
4. What is deflation ? When can deflationary gap arises in an economy ? How many method's to control the deflation situation in an economy ? **10**

5. In what sense is a monopolist said to be a price maker ? How can the prices in short run be determined in monopoly Mkt ? 10

6. Calculate FC, ATC, AVC, AFC and MC from the followings : 10

UNITS	0	1	2	5	8
TC	100	120	160	400	900

7. Draw the following curve of price elasticity of supply with the help of supply schedule. 10

- (a) Perfectly inelastic Supply
- (b) Greater than one Elastic
- (c) Less than one Elastic

8. Explain the following : 10

- (a) When does a consumer buy a smaller quantity of the commodity at the same price ?
- (b) When does a consumer buy more commodities at a particular price ?

9. Explain (with Example) 10

- (a) Explicit cost and Implicit cost.
- (b) Money cost and Real cost.