

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

00233

Term-End Examination

December, 2016

BFW-003 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 70

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

1. What is Supply ? What are the main determinants of supply ? Explain supply schedule and law of supply with the help of a graph. 10

2. What is Inflation ? What are the features of inflation ? What are the methods to control inflation in an economy ? Explain. 10

3. Define "Monopoly Market". What are the features of a monopoly market ? How is it different from a monopolistic market ? Explain how the price of a commodity is determined in a monopolistic market in the short-run. 10

4. What is National Income ? How many methods are there to calculate the national income ? Explain the expenditure method with steps and precautions. 10
5. Explain the following with suitable examples : $2 \times 5 = 10$
- (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 higher price ?
6. What is the effect on equilibrium level of price for the following cases : $2 \times 5 = 10$
- (a) When supply decreases and demand is inelastic.
 - (b) When demand is constant and supply increases.
7. Explain any *two* of the following in brief : $2 \times 5 = 10$
- (a) Least Cost Combination
 - (b) Shut-down Point
 - (c) Break-even Analysis
8. Define Production function. Explain and illustrate the Returns to Scale with diagram. 10
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