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EXECUTIVE MBA (EXMBA)

Term-End Examination

June, 2012

MCT-051 : MANAGERIAL ECONOMICS

Time : 3 Hours

Maximum Marks : 100

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

1. Explain the nature of problems studied in managerial economics. What is the importance of the study of such problems in business management ? 20

2. What is cross - elasticity of demand ? Is it positive for substitutes or for complements ? Explain it with suitable example and diagram. 20

3. Write short notes on : 5x4=20
 - (a) Price Leadership
 - (b) Engel curve
 - (c) Elasticity of supply
 - (d) Marginal Rate of Technical Substitution (MRTS)

- 4 (a) What do you mean by National Income ?
Explain its concepts. **10x2=20**
- (b) "Monetary and fiscal policy are not competitive but complementary". Discuss.
5. What is the difference between monopoly and monopolistic competition ? Explain with diagram, how price is determined under monopolistic competition. **20**
6. Distinguish between any four of the following : **5x4=20**
- (a) Economic profit and accounting profit
- (b) Actual cost and opportunity cost
- (c) CPI and WPI
- (d) Current account convertibility and capital account convertibility
- (e) Market price and normal price.
7. Discuss various methods of forecasting demand and point out their limitations. What are the criteria of a good forecasting method ? **20**
8. What are the principal pricing problems of a manufacturer ? How does consumer behaviour affect pricing policies ? **20**
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