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

Term-End Examination

June, 2012

MFW-008 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 70

Note : *All Questions are compulsory and carrying equal marks.*

1. Explain the following with suitable examples. 5
 - When does a consumer buy a smaller quantity of the commodity at the same price ?
 - When does a consumer buy more commodities at a higher price ? 5

2. Describe briefly the various determinants of supply of a commodity. Explain the price elasticity of supply. 10

3. A consumer buys 160 units of a goods at a price of Rs. 8 per unit. Price falls to Rs. 6 per unit. How much quantity will the consumer buy at the New price if elasticity of demand in (-2) ? 10

4. What is deflation ? What are the features of a deflation ? What are the method's to control the deflation ? 10

5. What is perfect competition ? How it is different from monopolistic competition ? How the prices are determined under perfect competition in short run ? 10
 6. Explain the relation between total product, marginal product, and Average product curves and describe the three stages of production (with suitable examples). 10
 7. What is national income ? How many method's are there to calculate the national income ? Explain the income method with step's and precautions. 10
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