

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

Term-End Examination

June, 2013

MFW-008 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 70

Note : (i) Attempt any seven questions.

(ii) All questions carry equal marks. Use of calculator is permitted.

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1. Discuss Managerial Economics. Distinguish 10
between Micro Economics and Macro Economics.
 2. What is your understanding of the term 10
"Supply" ? Elaborate the law of supply. Discuss
the causes behind the upward sloping supply
curve.
 3. Explain graphically the relationship between AC 10
and MC. Explain Real cost, Private cost and Social
cost.
 4. Explain perfect competition market and its 10
feature's. Diagrammatically discuss the demand and
revenue curves under perfect competition market.

5. Discuss the mechanism to control the situation of inflation in an economy by the following tools : 10
- (a) Monetary Policy
 - (b) Fiscal Policy
 - (c) Foreign Trade Policy
6. A consumer spends Rs. 400 on a commodity, when it's price is Rs. 2 per unit and spends Rs. 960, when it's price is Rs. 4 per unit. What is the elasticity of supply for the commodity and what is its nature ? 10
7. Explain the effect on equilibrium of price, when the demand is elastic and supply changes. 10
8. What is production function ? Explain the variable returns to scale of the production with diagram. 10
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