

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

00215

Term-End Examination

June, 2014

MFW-008 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 70

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

1. Define Fixed Cost of a firm. Is it correct to say that fixed cost is irrelevant for decision making as it is unaffected by the level of output ? 10

2. Define Supply function. What are the determinants of supply of a commodity ? 10

3. What is Production function ? Explain the Variable Returns to Scale of the production (with diagram). 10

4. What is monopolistic market ? How is it different from monopoly market ? Discuss with suitable examples. 10

5. What will be the effect on equilibrium when demand is constant and supply changes ? Show the effect on Price and Quantity. 10

6. Calculate Fixed Cost, Variable Cost and Marginal Cost from the following : 10

Output	1	2	3	4	5	6
AVC(₹)	80	50	40	36	48	55

7. What is Inflation ? Explain the methods to control the Inflation in an economy. 10

8. Explain the importance of elasticity of demand for the following : 10

- (a) To a monopolist
- (b) To a finance minister
- (c) In International trade
