MS-9

MANAGEMENT PROGRAMME

07141

Term-End Examination

June, 2014

MS-9 : MANAGERIAL ECONOMICS

Time : 3 hours *Maximum Marks : 100*

Note : (i) *There are two sections : Section-A and Section-B.*

    (ii) *Attempt any three questions from Section-A, which carries 20 marks each.*

    (iii) *Section B is compulsory and carries 40 marks.*

SECTION - A

1. What is the objective of a firm ? Explain how economic profit is different from Accounting Profit and discuss the various costs associated with each.

2. Explain in detail the determinants of demand.

3. (a) Explain different types of statistical analysis, which are used for a production function.

    (b) Discuss the limitations of different types of statistical analysis.

4. Explain third degree price discrimination and discuss the necessary conditions for implementing price discrimination. Give example in support of your answer.

5. Define a 'Monopolistic Competition'. Explain its features and the nature of its demand curve.

SECTION - B

6. The demand function equation faced by HCL for its personal computers is $P = 50,000 - 4Q$
   (a) Write the marginal revenue equation.
   (b) At what price and quantity marginal revenue will be zero ?
   (c) At what price and quantity will total revenue be maximized ?

7. (a) Suppose a firm faces a cost function of $C = 8 + 4q + q^2$ what is the firm's fixed cost ?

   (b) A LED Company selling LED Sets at ₹ 30,000 each. Its fixed cost is ₹ 60,000 for 10 units and its average variable cost is ₹ 20,000/- per unit. Determine its Break Even Point (BEP).

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