

**B.Sc. FASHION MERCHANDISING AND  
RETAIL MANAGEMENT (BSCFMRM)**

**Term-End Examination**

00486

**June, 2016**

**BFW-003 : MANAGERIAL ECONOMICS**

*Time : 3 hours*

*Maximum Marks : 70*

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

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1. Define Economics. What are the central problems in an economy ? How are these problems solved according to socialist and capitalist economies ? 10
  
2. What is demand ? What are the factors affecting demand ? Why does the demand curve slope downwards ? Give reason. 10
  
3. What is perfect competition ? How is it different from monopolistic competition ? How are the prices determined under perfect competition in the short run ? 10

4. What is production function ? Explain the variable returns to a factor with assumptions and diagram. 10
5. (a) Define 'Cost'. Explain the relationship between AC and MC with a diagram.  
(b) Explain the following in brief :  
(i) Shut-down Point  
(ii) Break-even-Analysis 5+5
6. What is national income ? How many methods are there to calculate the national income ? Explain. 10
7. What is deflation ? What are the features of deflation ? What are the methods to control deflation in an economy ? Explain. 10
8. A consumer buys 160 units of goods at a price of ₹ 8 per unit. Price falls to ₹ 6 per unit. How much quantity will the consumer buy at the new price, if the elasticity of demand is  $(-2)$  ? 10
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