

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

Term-End Examination

June, 2015

00420

MFW-008 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 70

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

1. Explain the following with suitable examples : $2 \times 5 = 10$

(a) When does a consumer buy a lesser quantity of the commodity at the lesser price ?

(b) When does a consumer buy more commodities at a higher price ?

2. A consumer buys 160 units of a good 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 elasticity of demand is (-2) ?

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 national income ? How many methods are there to calculate the national income ? Explain the income method with steps and precautions. 10
5. What is demand ? What are the factors influencing demand and what are its exceptions ? 10
6. What is the effect of equilibrium level of price for the following : $2 \times 5 = 10$
- (a) When supply increases and demand is elastic.
 - (b) When demand is constant and supply increases.
7. What are the explicit and implicit costs of college-going students ? Why does the economist classify normal profit as a cost ? 10
8. Discuss Managerial Economics. Distinguish between Micro Economics and Macro Economics. 10