



End Term Examinations (December 2018)

School: School of Management

Program: BBA-IB

Course: Managerial Economics

Course Code: MGT203

Semester: III

Max Marks: 30

Duration (mins): 90

Instructions:

1. Solve all the questions in Section A. Each question carries 2 Marks.
2. Solve any two questions from Section B. Each question carries 5 Marks.
3. Solve any one question from Section C. Each question carries 10 Marks.

Section – A

Multiple Choice Questions. Choose the correct answer. (Solve all Five) (10 Marks)

- Q1. The horizontal demand curve for a commodity shows that its demand is
a. Fairly elastic b. Perfectly elastic c. Highly elastic d. Moderately elastic
- Q2. Cross elasticity of complementary goods is
a. Negative b. High c. Zero d. Infinite
- Q3. A product that enjoys rapidly growing demand over time is likely to be
a. An inferior product b. A noncyclical normal good
c. A cyclical normal good d. Neither a normal nor an inferior good
- Q4. Even in the long run equilibrium, the pure monopolist (as opposed to the perfectly competitive firm) can make abnormal profits because of
a. Blocked Entry b. His low LAC c. High prices he charges d. Advertising
- Q5. In case of a normal good, the income effect
a. Partially offsets the substitution effect. b. Completely offsets the substitution effect.
b. Is always equal to the substitution effect d. Reinforces the substitution effect.

Section – B

Short Answer Questions: (Solve any Two) (10 Marks)

Q6. Write the various features of Perfect Competition. (5)

Q7. What is an Indifference Curve? Write its properties. (5)

Q8. Explain the Law of Diminishing Marginal Utility. (5)

Q9. Write the various determinants of Demand. (5)

Section – C

Short Answer Questions: (Solve any One) (10 Marks)

Q10. Explain the nature and scope of Managerial Economics. (10)

Q11. Explain the Law of Demand and state the exceptions to the Law of Demand. (10)

Q12. What do you understand by Elasticity of Demand? Explain Income Elasticity of Demand.
(10)
