

SVKM'S NMIMS UNIVERSITY
SCHOOL OF DISTANCE LEARNING

Programme: PGDFM/ADITM/DITM/PGDITM
III / II / II / II

Subject: Managerial Economics

Date : 4.6.2009
11.00 AM - 2 PM

Total Marks: 100
Time: 3 hours

1. Attempt any 2 out of 4

10 marks

- (i) Define managerial economics. Discuss the scope of managerial economics.
- (ii) Discuss the difference between shift and movement along the demand curve.
- (iii) Define income elasticity of demand. Discuss how it is calculated.
- (iv) Discuss main features of an oligopoly with suitable illustrations.

2. Write short notes on any 3 out of 5

15 marks

- (i) Marginal rate of technical substitution.
- (ii) Relationship between marginal and average variable cost.
- (iii) Cross price elasticity
- (iv) Barriers to entry.
- (v) Kinked demand curve.

3. Attempt any 3 out of 5

45 marks

- (i) Discuss some of the important demand forecasting techniques.
- (ii) With suitable illustrations discuss the various stages of a one factor production function.
- (iii) With help of Isoquants, identify the optimal input combination for a firm.
- (iv) Define price discrimination. Discuss the concept of third degree price discrimination.
- (v) Derive the profit maximizing output for a firm in a monopolistic competitive market.

4. Attempt both questions

30 marks

- (i) Explain why a firm operates with only normal profit in the long run in a perfectly competitive market.
- (ii) With suitable illustrations, explain the concepts of Economies of Scale and Economies of Scope.

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