

**Term End Examination – December, 2016**

**Program Title: Diploma in Management**

**Course Title: Managerial Economics**

**Course Code: DIM-3**

**(Session 2015-16)**

Time – 3 hours

Full Mark – 100

**Answer any four questions from Group –‘A’, any two questions from Group –‘B’ and any three questions from Group –‘C’.**

**Group ‘A’**

**(Answer any four questions each within 100 words)**

Q. No. 1

Marks: 5 X 4=20

- (a) Define managerial economics.
- (b) What is production function?
- (C) Explain and illustrate actual cost and opportunity cost.
- (d) Distinguish between income elasticity and price elasticity.
- (e) Outline the role of managerial economist in modern business management.
- (f) State techniques/methods of managerial economics.
- (g) Explain the nature of managerial economics.

**Group ‘B’**

**(Answer any two questions each within 250 words)**

Q. No. 2

Marks: 10 X 2=20

- (a) Explain main determinants of demand.
- (b) State the use of elasticity in managerial decisions.

- (C) Indicate the nature and scope of managerial economics.
- (d) Discuss the nature of short-run and long-run average cost curves.
- (e) Explain the relationship between average revenue and managerial revenue curves under perfect competition and imperfect competition.

**Group 'C'**

**(Answer any three questions each within 500 words)**

Marks: 20 X 3=60

- Q. No. 3 Explain the Law of Demand. What are the exceptions?
- Q. No. 4 Define cross elasticity of demand. Show the nature of cross elasticity for (i) Substitute goods (ii) Complementary goods (iii) Independent goods.
- Q. No. 5 State and explain Law of Variable Proportions.
- Q. No. 6 Write a note on internal and external economies of production.
- Q. No. 7 Explain and illustrate the following:
  - (i) Fixed cost and variable cost
  - (ii) Actual cost and opportunity cost.
- Q. No. 8 Define managerial revenue. How it is related to:
  - (i) Average revenue
  - (ii) Total revenue