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M.B. A.(Part-I) (Semester - I) Examination, Dec. - 2013**MANAGERIAL ECONOMICS (Paper-IV)****Sub. Code :48323****Day and Date : Friday, 27 - 12 - 2013****Total Marks : 70****Time : 10.00 a.m. to 1.00 p.m.**

- Instructions:**
- 1) **Question No. 1 and 5 are compulsory.**
 - 2) **Attempt any two questions from question No. 2 to 4.**
 - 3) **Draw neat diagrams wherever necessary.**
 - 4) **Figures to the right indicate full marks.**

Q1) Case study:

In modern Business, production is often made in anticipation of demand. Anticipation of demand implies demand forecasting. Forecasting means expectations about the future course of developments. The future is uncertain. But, not entirely so. Hence one can hopefully predict the future event and reasonably gain.

Demand forecasting means expectation about the future course of the market demand for a product. Demand forecasting is based on the statistical data about past behaviour and empirical relationships of the demand determinants. In modern business there are three types forecasting is required. i.e. Micro level, Industry level and Macro level.

By reading the above para, answer the questions given below:

- a) State the importance of demand forecasting and explain the market survey method of data collection. **[10]**
- b) The videocon, an air-conditioner manufacturing company's sales record showed its sales as follows: **[10]**

Year	2004	2005	2006	2007	2008
Sales (incrore)	25	30	40	50	65

Calculate the demand for Air- conditioner for next three years.

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- Q2)** a) State the significance of managerial economics. [8]
 b) Explain the concept of consumer's surplus. [7]
- Q3)** a) Explain the short- run price determination in perfect competition. [8]
 b) State the Innovation theory of profit. [7]
- Q4)** a) State the Mawtreys theory of Business cycle. [8]
 b) Explain the concept of cost-plus pricing. [7]
- Q5)** Write short Notes on (Any Four): [20]
 a) Income elasticity of demand.
 b) Characteristics of Indifference curve.
 c) Short run cost curves.
 d) Phases of Business cycles.
 e) Features of monopoly.
 f) Multiple product pricing.