

<b>Seat No.</b>	
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**M.B.A. (Part - I) (Semester - I) Examination, May - 2014**  
**MANAGERIAL ECONOMICS**  
**(Paper - IV)**  
**Sub. Code : 48323**

**Day and Date : Tuesday, 27-05-2014**  
**Time : 2.30 p.m. to 5.30 p.m.**

**Total Marks : 70**

- Instructions :**
- 1) **Q.No.1 and 5 are compulsory.**
  - 2) **Attempt any 2 questions from que. No. 2 to 4.**
  - 3) **Figures to the right indicate full marks.**

**Q1) Case Study:**

Price stability is necessary for economic development and growth. Most of the developing countries have to face the problem of inflation now a days. Due to the rising trend of the prices the goals and objectives of economic planning remain incomplete. Price fluctuation reduces the employment and growth rate of an economy. It is the duty of government and central bank to control business cycles for overall development. Justify your answer of the following questions.

- a) What do you mean by business cycles? State its phases. [10]
- b) Evaluate the Hawtrey's Theory of Business cycle. [10]

- Q2) a)** State the meaning and scope of managerial economics. [8]
- b) Critically examine the Law of Demand. [7]

- Q3) a)** Explain the concept of consumers surplus. [7]
- b) What are the types of price elasticity of demand. [8]

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**Q4) a)** Explain the price determination process in Monopoly market. [8]

b) Distinguish the short run cost curves. [7]

**Q5) Write short notes (any four):** [20]

a) Survey method of demand forecasting.

b) Law of returns to scale.

c) Characteristics of oligopoly.

d) Multiple product pricing.

e) Innovation theory of profit.

f) Product Differentiation.



