

DL-6

Your Roll No.....

**BACHELOR OF BUSINESS
ADMINISTRATION I YEAR
EXAMINATION, 2010**

Paper — BBAD-202

MANAGERIAL ECONOMICS

Time : 2½ Hours

Maximum Marks : 70

*(Write your Roll No. at the top immediately
on receipt of this question paper.)*

*Answer all Sections as per instructions given in
each Section.*

SECTION -A (1 × 10 = 10)

Answer ALL questions.

Each question carries one mark.

Fill in the blanks:

1. Opportunity Cost is _____.
2. An indifference curve of a consumer represents _____.
3. Market Equilibrium is a condition in which _____.
4. The marginal rate of technical substitution (MRTS) indicates _____.

P.T.O.

-
5. Oligopoly is that market _____.
 6. Bundling is the practice of selling _____.
 7. Decision tree refers to a method _____.
 8. In the Williamson's model, managers are free to _____.
 9. Consumers Surplus is equal to the difference between _____.
 10. Income Elasticity is the percentage change in _____.

SECTION -B (6 × 5 = 30)

Answer any SIX questions.

All questions carry equal marks.

11. Compare and contrast micro-economics and macro-economics. Which one is more important in managerial economics?
12. State the Law of Demand. What are the exceptions to it ?
13. How does a least-cost combination arrived at with the help of iso-product and iso-cost curves? Explain the significance of tangential point.

14. Explain why does long-run average cost first falls and then rises ?
15. Discuss the criteria on the basis of which markets can be classified ?
16. State and explain the factors which you would normally consider while pricing a new product ?
17. Underline the basic postulates of Cyert and March Model.
18. Discuss the considerations in various kinds of capital investment decisions.

SECTION -C (3 × 10 = 30)

*Answer any THREE questions.
All questions carry equal marks.*

19. What is the importance of demand analysis ? What are the different types of demand?
20. Write short notes on any *two* (Draw diagrams where necessary.)
 - a) Law of Proportions
 - b) Isoquant
 - c) Economics of Scale
21. Explain with diagrams price determination in a monopolistic market.

23. Define Price Elasticity and distinguish its various types. Discuss the role of price elasticity of demand in managerial decisions.
24. Review the appropriateness of the following criteria of appraising investment:
- a) Payback period
 - b) Net present Value