
**Instructions: - All questions are Compulsory.
Use of Non-scientific calculators is allowed.**

Q.No.1 Explain in brief Any Four of the following **4 x 4=16**

1. Managerial Economics is dynamic and metrical in nature. Explain.
2. If a firm shall receive an amount of Rs. 48,000/- after 48 months, whose present value today is calculated as Rs 36618.9702, then find out what is the discounting rate.
3. Write a short note on principle of time value of money.
4. Briefly explain zero and negative income elasticity.
5. Distinguish between shift in demand curve and movement on demand curve with help of graphs.
6. What is demand forecasting? Briefly explain the criteria for good demand forecast.

Q.No.2 Explain in brief Any Four of the following **4 x 4=16**

1. Explain the short run and long run production function.
2. A firm is currently producing and selling 500 items of a product for Rs.2.5 each. It has average fixed costs of 50 paise and average variable costs of 75 paise at this production level. Calculate the firm's total profits at this production level.
3. Briefly explain any four diseconomies of scale .
4. What is meant by equilibrium of a firm?
5. 'A perfectly competitive firm shall make normal profits in the long run'- Explain.
6. What is a 'shut down point' for perfectly competitive firm? Explain with a diagram.

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Q.No.3

12

A. Explain the relationship of managerial economics with the disciplines of Operations research, Law and Management.

Or

B. Explain with examples the principles of time perspective, Incremental reasoning and opportunity cost.

Q.No.4

12

A. Explain the various applications of the concept of elasticity of demand. Also explain the determinants of price elasticity of demand.

Or

B. Write short notes on, Advertising Elasticity of demand, Cross elasticity of Demand and Exceptions to the law of demand.

Q.No.5

12

A. Explain the law of variable proportions with help of a diagram.

Or

B. B. If AVC for $Q = 800$ is ₹31.25 then calculate TFC, TVC, AFC, AVC and MC from the following data:

Q (units)	100	200	300	400	500	600	700	800
TC (Rs)	15,000	16,000	16,500	18,000	20,000	23,000	27,000	33,000

Q.No.6

12

A. Explain the short run equilibrium of a firm in monopolistic market. Draw graphs to explain supernormal profits, normal profits and loss.

Or

B. What are the main features of oligopoly? Explain the condition of MC=MR in Monopoly in short run with a diagram for maximizing profits.

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