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(21218)

BBA-V Sem.

Roll No. ....

(2)

**18061**

**B. B. A. Examination, Dec. 2018**

**Managerial Economics**

**(BBA-502)**

**(New)**

*Time: Three Hours]*

*[Maximum Marks : 75*

*Note: Attempt questions from all Sections as per instructions.*

**Section-A**

**(Very Short Answer Questions)**

Attempt all the *five* questions. Each question carries 3 marks. Very short answer is required not exceeding 75 words.  $3 \times 5 = 15$

1. Define law of demand.
2. Explain elastic demand.

3. Explain semi-variable cost.
4. Explain 'cost-push' and 'demand-pull' inflation.
5. Describe main features of Oligopoly.

**Section-B**

**(Short Answer Questions)**

Attempt any *two* questions out of the following three questions. Each question carries  $7\frac{1}{2}$  marks. Short answer is required not exceeding 200 words.

$7\frac{1}{2} \times 2 = 15$

6. Explain the principle of time perspective.
7. Explain income effect and substitution effect with example.
8. Explain profit management and inflation.

**18061**

**Section-C****(Detailed Answer Questions)**

Attempt any *three* questions out of the following five questions. Each question carries 15 marks.

Answer is required in detail.  $15 \times 3 = 45$

9. K. G. & Co. has conducted investigation regarding demand of a certain commodity and collected the following data :

Year	2009	2010	2011	2012	2013	2014
Sales (in'000₹)	25	30	35	40	38	47

Forecast the sales for the year 2015 and 2016.

10. What do you understand by Managerial Economics ? Explain the scope of Managerial Economics.
11. Explain cost-output relationship in short-run and long-run cost curves.
12. What is monopolistic competition ? How output and price is determined under monopolistic competition?

13. The S. K. Pvt. Ltd. has been manufacturing track suits for athletes. Currently its output is around 70% of its capacity of 19,000 units per annum. One exporter has approved the sample and has offered to buy 5,000 units at a special price of ₹ 150 per suit. At present the company has been selling the track suit @ ₹ 210. The standard cost per unit is as under :

Cloth and other materials	₹ 82.00
Labour	₹ 25.00
Fixed cost	₹ 42.00
Variable cost	₹ 11.00
	<u>₹ 160.00</u>

- (a) Should the company accept the offer ?
- (b) What would be your advice if the exporter offers to buy 10,000 units instead of 5,000 units.