

18061

B.B.A. Examination, Dec. - 2020

Managerial Economics

(BBA-502)

Time : Three Hours] [Maximum Marks : 75

Note : Attempt **all** the sections as per instructions.

Section-A

(Very Short Answer Questions)

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

1. What is law of supply?
2. What are the limitations of demand forecasting?
3. Discuss the scope of managerial economics.
4. What do you understand by Break Even Analysis?

P.T.O.

5. Explain Normal Profit and super Profit.

Section-B

(Short Answer Questions)

Note : 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. What is Law of variable proportions?
7. From the following table, Calculate (i) Total Revenue (ii) Average Revenue and (iii) Marginal Revenue.

Production (In Units)	Selling Price (Per Unit)
1000	10.00
2000	9.50
3000	9.00
4000	8.50
5000	8.00
6000	7.50

8. Why do demand curve slope downwards to the right?

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Section-C

(Detailed Answer Questions)

Note : 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. What do you understand by Perfect Competition? How Prices are determined under it.

10. "Profit is the reward for risk-taking and uncertainty bearing." Explain.

11. The following informations are obtained from Laxmi Ltd:

Sales ₹ 50,000; Profit ₹ 5,000, Fixed Cost = ₹ 15,000

Calculate P/V Ratio in the following Conditions:

- (a) Selling Price increased by 20%
- (b) Fixed Cost decreased by 10%
- (c) Variable Cost decreased by 10%

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P.T.O.

12. Define Monopoly and explain how Price is determined under monopoly conditions?
13. The following information has been collected in an economic investigation into the demand for room coolers in five different towns in the year 2017:

Towns	Populations in Lakhs (x)	Demand for Room-Coolers (y)
A	4	40
B	6	60
C	7	50
D	10	70
E	13	80

Fit a linear regression of y on x by the Least square method. Supposing that the same relationship holds true for a town with a population of 50 Lakhs. Find out the number of Coolers which would be sold.

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