3. What is long run Production Function? Explain the long run production function law.

**OR**

Explain the shapes of costs in short run.

4. What is Monopoly? How price is determined in monopoly market?

5. What is Inflation? Explain important measures of inflation.

**OR**

Explain profit theories of a firm.

—x—

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**51 & 52**

NMBA012/MBTM012

(Following Paper ID and Roll No. to be filled in your Answer Book)

PAPER ID : 270126

Roll No. ☐☐☐☐☐☐☐☐☐☐

**M.B.A.**

**SPL. THEORY EXAMINATION, 2014-15**

**MANAGERIAL ECONOMICS**

*Time : 3 Hours]* *[Total Marks : 100*

**Note:** Attempt questions from each Section as per instruction.

**Section - A**

**Note:** Attempt all questions. 2×10=20

1. Define Managerial Economics.

2. What is law of demand?

3. What is law of diminishing marginal utility?

4. Explain the shape of TVC in short run.

5. What is Production function?

6. Give two features of Iso-quant Curve.

7. Give two features of oligopoly.

8. Define Inflation.

9. Name four players of four sector Economy.

10. Give an example of Monopoly.

## Section - B

**Note:** Attempt any three questions of the following. 3×10=30

1. Explain need and importance of Managerial Economics.

2. What happens to demand when the following changes occur:

   a) Price of inferior commodity falls

   b) Price of complement goods increases

   c) Price of substitute increases

3. What is a cost function? Explain cost-output relationship in long run.

4. What is monopolistic competition? Explain profit maximization under monopolistic market in short run.

5. What is GDP? Explain important concepts of income.

## Section - C

**Note:** Attempt all questions. 10×5=50

1. Explain the fundamental concepts of economics.

### OR

Explain the importance of Managerial economics in decision-making.

2. Agricultural commodities are known to have a price-inelastic demand and are considered to be necessities. Use this information to explain why the income of farmers fall.

### OR

Indira Gandhi University faces the following demand function:

P=12000-0.4Q

Where P is the price, which, in context is tution fee. Q is the no. of students seeking admission. The current fee is Rs. 10000. The University is considering a 1 percent hike in the tution fee. Is it a wise decision? Show your working and substantiate your answer.