

**PARUL UNIVERSITY**  
**FACULTY OF MANAGEMENT STUDIES**  
**BBA Winter 2023-24 Examination**

Semester:03

Subject Code: ( 06101204)

Subject Name: ( Managerial Economics - I)

Date: 01/12/2023

Time: 10:30am to 1:00pm

Total Marks: 60

**Instructions**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

<b>Q.1 Do as Directed.</b>	<b>CO</b>	<b>PO</b>	<b>BTL</b>
<b>Multiple choice type questions/Fill in the blanks. (Each of 1 (05)</b>			
<b>1. The number of buyers is comparatively small _____.</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>a) for consumer's goods</b>			
<b>b) for producer's goods</b>			
<b>c) for non-durable goods</b>			
<b>d) for durable goods</b>			
<b>2. Goods produced on small scale have</b>	<b>1</b>	<b>2</b>	<b>1</b>
<b>a) Relatively inelastic supply</b>			
<b>b) Perfectly elastic supply</b>			
<b>c) Highly elastic supply</b>			
<b>d) None of the above</b>			
<b>3. Price line is _____.</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>a) negatively sloped</b>			
<b>b) positively sloped</b>			
<b>c) parallel to X-axis</b>			
<b>d) parallel to Y-axis</b>			
<b>4. An example of derived demand is demand for _____.</b>	<b>2</b>	<b>2</b>	<b>1</b>
<b>a) Pen and pencil</b>			
<b>b) Jute and cotton</b>			
<b>c) Petrol and car</b>			
<b>d) None of the above</b>			
<b>5. Distinction between private sector and public sector is</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>a) Economic system</b>			
<b>b) Principle of Pricing</b>			
<b>c) Motive</b>			
<b>d) All of the above</b>			
<b>B). Define the following. (Each of 1 mark) (05)</b>			
<b>1. Elasticity of demand</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>2. Average Cost</b>	<b>2</b>	<b>2</b>	<b>1</b>
<b>3. Complementary Goods</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>4. Cross Elasticity of Demand</b>	<b>2</b>	<b>2</b>	<b>3</b>
<b>5. Consumer's equilibrium</b>	<b>2</b>	<b>1</b>	<b>2</b>
<b>C). Direct questions. (Each of 1 mark) (05)</b>			
<b>1. Expand the word MRTS.</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>2. List out the types of Price elasticity of demand.</b>	<b>2</b>	<b>1</b>	<b>2</b>
<b>3. Distinguish between implicit and explicit cost.</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>4. List down any two operational issues of managerial economics.</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>5. Differentiate between consumer and producer goods.</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>Q.2 Answer the following questions.</b>			
<b>A). Justify Price Effect = Income Effect + Substitution Effect. (07)</b>	<b>4</b>	<b>3</b>	<b>4</b>
<b>B). Give the meaning of Managerial Economics. Discuss the scope of Managerial Economics. (08)</b>	<b>3</b>	<b>3</b>	<b>4</b>
<b>Q.3 Answer the following questions.</b>			
<b>A). Write an Explanatory note on the concept of Returns to scale. (07)</b>	<b>3</b>	<b>3</b>	<b>4</b>
<b>B). Express the relationship between Average Cost Curve and Marginal Cost Curve. (08)</b>	<b>3</b>	<b>4</b>	<b>5</b>

- Q.4** Attempt any two questions. **(Each of 7.5 mark)** **(15)**
1. A firm which has newly launched its product in the market is seeking a help to forecast the demand in near future , as an economist suggest a firm which demand forecasting method it should use. **4 4 4**
  2. Explain in detail cross elasticity of demand and its types with suitable example. **3 4 4**
  3. Differentiate between the demand for cosmetics goods and raw materials. **2,4,4**
  4. Aman was ready to purchase a mobile for Rs 20,000 but actually paid Rs 15,000 for the same. Identify the concept and elaborate. **4,4,5**