Seat No:_____   Enrollment No:_____

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Winter 2019-20 Examination

Semester: 3   Date: 26/11/2019
Subject Code: 06101204   Time:02:00pm to 04:30pm
Subject Name: Managerial Economics-I   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.

Q.1 Do as Directed.

A). Multiple choice type questions/Fill in the blanks. (Each of 1 mark)   (05)

1. These goods are used all at once _____.

a	Producers' goods	b	Durable goods
c	Non- durable goods	d	Capital goods

2. Price line is_____.

a	Negatively sloped	b	Positively sloped
c	Parallel to x- axis	d	Parallel to y-axis

3.Which cost is minimum when MC=AC ?

a	Total cost	b	Average Cost
c	Marginal Cost	d	Average fixed cost

4. Internal economies refers to_____.

a	Advantages to large scale production	b	Advantages to the growth of industry
c	Advantages to the growth of internal trade	d	Advantages to the growth of population

5. What would be Ec, when x and y are complementary goods?

a	Positive	b	Negative
c	Zero	d	Infinity

B).Define the following. (Each of 1 mark)   (05)
1 Managerial Economics
2 Planning curve
3 Indifference Map
4 ISO- Cost line
5 Consumer Surplus

C). Direct questions.(Each of 1 mark)   (05)
1 What is Derived demand?
2 What is PCC?
3 List down the various Barometric techniques of demand forecasting.
4 What do you understand by Returns to Scale?
5 What is Real cost?

Q.2 Answer the following questions.   (15)

A). "Managerial Economics is the discipline which deals with application of theory to business management." Elucidate   (07)

B). What is elasticity of demand? Describe different degrees of price elasticity of demand.   (08)

Q.3 Answer the following questions.   (15)

A). Explain with illustration and diagram the law of variable proportion. State its significance.   (07)

B). State the conditions of Consumer's Equilibrium and discuss its concept using income line and indifference curve. **(08)**

Q.4 Attempt any two questions.(7.5 marks each) **(15)**

1. How does demand forecasting for new products differ from that for old products? Explain the methods of forecasting the demand for the new product using real life examples.

2. Justify Price Effect is the combination of Income effect and Substitution Effect.

3. a) Find out the value of price elasticity of demand on the basis of demand schedule given below:

Price(Rs)	Demand(units)
10	10,000
8	16,000
6	20,000

b) Calculate cross elasticity of demand between Pepsi and Coke from the following data:

Commodity	Initial		New	
	Price(Rs.)	Demand	Price(Rs.)	Demand
Pepsi	4	5	6	3
Coke	2	4	2	5

4. Write an explanatory note on Properties of Iso-quant with the help of diagram.