

**MASTER OF BUSINESS ADMINISTRATION
(FULL TIME PROGRAMME)
(MBACN)**

Term-End Examination

December, 2011

MCN-002 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 100

Note : Answer any five questions. All questions carry equal marks.

1. Explain the various functions of a managerial economist in Indian context. How can he best serve the management ? 20

2. (a) Explain the utility of demand for a firm.
(b) Define advertising elasticity of demand and state its importance. 10x2=20

3. What is the difference between perfect competition and monopolistic competition ? Support your answer with suitable examples. 20

4. (a) Show that the marginal cost curve is the supply curve of the firm. 10x2=20
(b) Define short-run costs and long-run costs.

5. Discuss the managerial uses of break-even analysis as a tool for profit planning. What are its limitations ? 20
 6. Explain the meaning of term 'industry'. Examine how long - run adjustment takes place in an industry ? 20
 7. What do you understand by price discrimination ? Explain the conditions which make it possible, profitable and desirable. 20
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