

--	--	--	--	--	--	--	--	--	--



Time: 3 hrs

GIET UNIVERSITY, GUNUPUR – 765022

B. B. A (FIRST YEAR – BACK PAPER) Examinations, April' 2021

FBBA 1.2 – MANAGERIAL ECONOMICS

Maximum: 75 Marks

Answer **ALL** Questions

All questions carry equal marks

1.a. What is Managerial economics? Discuss the nature and scope of managerial economics.

(OR)

b. Distinguish between Micro economics and Macro economics. Discuss the principle of economics which help in effective managerial decision making.

2.a. If the demand curve for wheat in India is $P = 12.4 - 4Q_d$, where P is the farm price of wheat and Q_d is the quantity of wheat demanded (in millions) and supply curve for wheat in India is $P = -2.6 + 2Q_s$, where Q_s is the quantity of wheat supplied (in millions) and P is the farm price of wheat. What is the equilibrium quantity of wheat sold?

(OR)

b. Differentiate the following:

- i. Point elasticity of demand and Arc elasticity of demand
- ii. Elasticity of supply and elasticity of demand

3. a. Discuss the relationship between marginal cost curve and average cost curve.

(OR)

b. Explain the Concept of returns to scale and distinguish among increasing returns to scale, constant returns to scale and decreasing returns to scale.

4. a. What is production function? State and explain the law of diminishing returns.

(OR)

b. Explain the relationship among total revenue, average revenue and marginal revenue.

5. a. What is perfect competition? How does a firm determine its price and output under perfect competition?

(OR)

b. Write short notes on:

- i. Monopoly market
- ii. Oligopoly market

---End of Paper---