

January 2017
M. B. A. (International Business) Examination

First Semester (New)
912 : MANAGERIAL ECONOMICS

Time 3 Hours]

[Max. Marks 85

Note : Attempt any five questions from the following. All questions carry equal marks.

1. "Managerial Economics refers to the application of economic theory and the tools of analysis of decision science to examine how an organization can achieve its objectives most effectively." Explain.
2. If the demand is fixed but supply of a product increases, what happens to equilibrium price and quantity ? Discuss.
3. Define Production Function. What is the relationship between the firm's long run production function and its variable costs ?
4. Why would a perfectly competitive firm earn only normal profit in the long run ? Explain with suitable example and diagram.
5. Segregation of ownership from management works against the objective of profit maximization. Do you agree with this statement ? Why ? Or why not ?
6. Real measure of national income is NNP, and not GDP. Do you agree with this ? Give arguments in support of your point of view.
7. "Money is what money does ?" Explain the functions of money in light of this statement.
8. Which of monetary and fiscal measure do you think one more effective in controlling inflation? Give logic in support of your answer.