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# M.B.A./M.B.A. TOURISM & HOSPITALITY DEGREE EXAMINATIONS FIRST SEMESTER

# Paper - IV : MANAGERIAL ECONOMICS

(W.E.F. 2016-17 Admitted Batch)

(Common for M.B.A. & M.B.A(T&H))

Time : 3 Hours

#### Maximum: 75 Marks

#### **SECTION-A**

I.	Answer any FIVE questions not exceeding One page each.		(5×3=15)
	1.	Concept of Profit Maximisation.	

- 2. Law of Demand.
- 3. Returns to Scale.
- 4. Perfect competition.
- 5. Causes of inflation.
- 6. Price elasticity of Demand.
- 7. Least cost combination.
- 8. Economic optimisation.

# **SECTION - B**

# II. Answer ALL questions not exceeding 4 pages each. (5×8=40)

1. a) Define 'Firm'! What are the various objectives of a Firm?

## (OR)

- b) Evaluate the nature and scope of managerial economics.
- 2. a) Explain with examples about cross elasticity of Demand.

## (OR)

- b) What are the managerial uses of elasticity of Demand.
- 3. a) What are economics of Large Scale? Explain with some examples.

# (OR)

b) Define 'Pricing'. Briefly explain about methods of pricing.

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(1)

4. a) Discuss how price is determined under monopolistic competition.

#### (OR)

- b) Define 'Oligopoly'. What are its characteristics?
- 5. a) What methods are available to calculate National Income?

## (OR)

b) Outline the different phases of Business Cycles.

#### **SECTION - C**

#### III. Case Study (Compulsory) / Problem.

(1×15=15)

The demand function of mutton for Ravi is given as follows

 $Q_m = 5850 - 6P_m + 2P_c = 0.15y$ 

y = Income of Ravi = Rs. 8,000

 $P_{m}$ - price of mutton = Rs. 125 kg

 $P_{c}$ - price of chicken = Rs. 70 kg

Find out

a) Income elasticity of Demand.

b) Cross Elasticity of demand for mutton.

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