M.A. Economics (Final)

Paper-X

Managerial Economics

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M. Marks : 100

Time : 3 Hrs.

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Note:

(i) Question paper will consist of two sections A and B

(ii) Section A will consist of two compulsory questions spread over the whole of syllabus. The first question will consist of 7 parts and the candidate will be required to attempt 5 parts. Answers will be very short type about 35 words carrying 4 marks each. The second question will consist of 3 parts and the candidate will be required to attempt 2 parts. Answer will be short type of about 200 words carrying 10 marks each.

(iii) Section B of the paper will consist of 6 questions taking two from each unit, and the candidate will be required to attempt 3 questions selecting one from each unit. The answers will be of full length essay type carrying 20 marks each.

UNIT–I

Nature and Scope of Managerial Economics, Economic Theory and Managerial Economics, Market demand and demand forecasting: Market demand, meaning, types and determination, meaning, types and measurement of elasticity of demand, meaning and methods of demand forecasting, Survey methods-export opinion survey method, consumers interviews methods, statistical methods-trend method, regression method, loading indicator methods, simultaneous equation method.

UNIT–II

Theory of costs and break-even analysis. Various concepts of costs; Nature of cost functions (short and long period); Economics and diseconomics (internal and external); Estimation of cost-output relations; break-even analysis and its uses. Pricing Principles, policies and Practices; Limit pricing principle; Multiple product pricing, pricing in life cycle of a product statutory pricing.

UNIT–III

Capital budgeting and investment decision. Nature of capital budgeting problems, Evaluation of investment decisions. Sources and cost of capital. Alternative functions of business firms; Profit maximisation, sales revenue maximisation (Baumol); balanced growth rate maximisation (mariss); managerial utility maximisation (Wiliamson); satisfying behaviour (Cyert & March).