

**BIRLA INSTITUTE OF TECHNOLOGY, MESRA, RANCHI
(END SEMESTER EXAMINATION)**

**CLASS: MBA
BRANCH: MBA**

**SEMESTER : I
SESSION : MO/18**

SUBJECT: MT408 MANAGERIAL ECONOMICS

TIME: 3:00 HRS.

FULL MARKS: 50

INSTRUCTIONS:

1. The question paper contains 5 questions each of 10 marks and total 50 marks.
 2. Attempt all questions.
 3. The missing data, if any, may be assumed suitably.
 4. Before attempting the question paper, be sure that you have got the correct question paper.
 5. Tables/Data hand book/Graph paper etc. to be supplied to the candidates in the examination hall.
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- Q.1(a) Explain the nature and scope of managerial economics. [5]
Q.1(b) How does economic theory contribute to managerial decisions? [5]
- Q.2(a) Distinguish (i) demand and demand function and (ii) individual demand and market demand. [5]
Q.2(b) What are the determinants of market demand for a commodity? Explain. [5]
- Q.3(a) What is opportunity cost? How is it relevant for managerial decisions? [5]
Q.3(b) Explain and illustrate the relationship between marginal cost, average cost and total cost in short-run. [5]
- Q.4(a) What are the characteristics of a perfectly competitive market? Explain them. [5]
Q.4(b) Illustrate and explain how firms under perfect competition find their equilibrium. [5]
- Q.5(a) Explain the concept of capital budgeting. What are its prerequisites? [5]
Q.5(b) Describe the various methods of measurement national income. [5]

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