Roll No…………

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) – 201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2019 - 2021)
END TERM EXAMINATION (TERM - II)

Subject Name **Managerial Economics**	Time: **02.30 hrs**
Sub. Code **PG-13**	Max Marks: **60**

Note:

1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.

2. All questions are compulsory in Section A & C. Section A carries 8 questions of 2.5 marks each, Section B carries 5 questions of 04 marks each and Section C carries 1 Case Study of 20 marks.

SECTION - A

Attempt all questions. All questions are compulsory.   **2.5×08 = 20 Marks**

Q. 1 (A): What is Managerial Economics? What is its relevance for Managers?

Q. 1 (B): Explain the relationship of managerial economics with statistics, mathematics, accounts & economics?

Q. 1 (C):: Write a note on monetary policy.

Q. 1 (D): Explain the roles and responsibilities of Managerial Economist.

Q. 1 (E): What is Micro and Macro Economics?

Q. 1 (F): Can a monopoly firm charge any price for its product? If not, why

Q. 1 (G): Is foreign trade policy necessary for the country or not? Explain with example.

Q. 1 (H): Discuss Fiscal Policy of India.

SECTION – B

Attempt any five out of six questions   **04×05 = 20 Marks**

Q. 2: what is meant by product differentiation? What methods are generally adopted by the firms under monopolistic competition for differentiation of their products from those of the rival firms?

Q.3: why is third degree price discrimination more common than the first and second degree price discrimination?

Q. 4: Explain the following
   a) Cartel Based Pricing
   b) Price Discrimination

Q. 5: What is price elasticity of demand? Explain its type. What are the determinents of demand/ factors effecting demand.

Q. 6: What is National Income? Define the factors that affect national income and Methods of National Income Calculation.

Q. 7: What do you understand by demand forecasting? Survey method is one of the techniques of demand forecasting. Discuss its different types.

Read the case and answer the questions   **10×02 = 20 Marks**

Q. 8: **Case Study:**
Production of Personal Computers

The manufacturer of personal computer produces to version of PC's. The ordinary version, which has a hard disk and single disk drive. The other version targets the temporary users and students is the economy version, which has two disk drive but no hard disk. The manufacturer has kept the price of economy version at half of the ordinary version, i.e. Rs. 8,000 only. The labour cost producing the ordinary version is Rs. 1,200 per piece while that of economy version is Rs. 600 per piece. Profit contribution (like the price) is double for the ordinary version at Rs. 4,000 per piece. The manufacturer has ample component from which to assemble PC's, but a limited capacity for the production of hard disk and disk drives. The company's maximum weakly production is 300 hard disk and 650 disk drives. In addition, the computers are assembled by a labour force comparising of 50 people that's supplies 2000 hr of labour per week. Both the models required roughly and same assembly time, and average of 5 labour hours each. The manufacturer goes in for profit maximization (not sale) as his objective.

Question
A: Find out the various constraints (constraint functions) in reaching the objective function.
B: Find out the number of ordinary and economy PCs that the manufacturer should produce to achieve his objective.