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**1 PGDE COM 5**

**2010**

**(August)**

**COMMERCE**

**Paper : 105**

**(Managerial Economics)**

**Full Marks - 80**

**Time - Three hours**

The figures in the margin indicate full marks for the questions.

1. (a) What do you understand by the term Managerial Economics? Discuss its scope and functions. 4+12=16

Or

- (b) "Managerial Economics is economics applied in decision making." Discuss. 16

2. (a) Distinguish between the following :

(i) Industry demand and Firm (company) demand.

(ii) Durable goods demand and Non-durable goods demand.  $8 \times 2 = 16$

Or

(b) Explain the role of price, income, cross elasticities of demand in business decisions.

16

3. (a) How do demand forecasting methods for new products vary from those of established products ? Explain briefly. 16

Or

(b) Outline the various steps which would be necessary if you were asked to forecast demand for a typical mass consumption item.

16

4. (a) Discuss in detail when price discrimination is possible. Do you think that price discrimination is possible under perfect competition ? Give reasons.  $10 + 6 = 16$

Or

- (b) What do you mean by a pricing policy?  
Discuss the general consideration that are to  
be taken into account for taking up a pricing  
policy. 6+10=16

5. (a) Critically discuss the views that the trade  
cycle is purely a monetary phenomenon.

16

Or

- (b) Compare and contrast on Demand pull  
inflation and Cost push inflation. 16