

2017

PG DODL COM 5

**(Managerial Economics)**

Full Marks : 80

Time : Three hours

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

Answer the following questions :

1. (a) "Profit maximisation remains the most important objective of business firms in spite of multiplicity of alternative business objectives suggested by the modern economists." Comment. 16

**Or**

- (b) What are the major areas of business decision making ? How does economic theory contribute to managerial decision ? Also discuss the importance of microeconomics in the decision making process. 5+7+4=16

2. (a) How is market demand for a commodity derived ? Derive the market demand curve by assuming three individual demand curves for a product. Explain the determinants of market demand.

3+5+8=16

**Or**

- (b) Distinguish between the following with illustration :

8+8=16

(i) Price elasticity and income elasticity.

(ii) Arc elasticity and point elasticity.

3. Answer **any four** of following :

4×4=16

(a) Explain the scope of demand forecasting.

(b) Discuss *four* objectives of demand forecasting.

(c) Discuss the sample survey and test marketing techniques of demand forecasting.

(d) Mention the difference between forecasting a new product and an established product.

(e) Mention the criteria for the choice of a good forecasting method.

4. (a) Explain the process of price determination of a multi-plant producer. 16

**Or**

(b) (i) Explain the degrees of price discrimination. 10

(ii) Discuss the factors under which price discrimination is possible.

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5. (a) Define Inflation. Discuss the demand side and supply side causes of inflation. How can demand-pull inflation be controlled ? 2+10+4=16

**Or**

(b) What is Business cycle ? Explain the features of business cycle. Discuss the measures that can control business cycles. 3+5+8=16