K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH,
Vidyavihar, Mumbai- 400077

Program: *MIM(Batch2017-20), Semester-II*
Subject: Managerial Economics
(End Term Examination)

Maximum Marks: 50 Marks   **Duration: 3 hours**   **Date: 14-04-2018**

__Instructions__

Attempt any five of the following questions.

Q 1. What is Demand? Explain the different factors affecting the demand for a commodity (10)

Q 2. (a)What is an indifference curve? How does a consumer achieves equilibrium through Indifference curve analysis (5)

(b) The equilibrium price and output is determined by the equality of market demand and supply .Explain (3)

(c) Suppose a firm sells 20,000 units when the price is Rs16, but sells 30,000 units when the price falls to Rs14. Find the price elasticity of demand over this range of prices. State whether demand is elastic or inelastic over this range.(2)

Q 3. State and explain law of variable proportion (10)

Q 4 (a) Describe the various costs incurred by the business in the short –run .Explain why the short-run average cost curve is U-shaped. (10)

Q 5. Explain the determination of equilibrium level of price and output under Perfect competition in the short-run.(10)

Q 6. Write short notes on *any two* of the following 2 x 5= 10 marks

(a) Properties of indifference curve
(b) Opportunity cost
(c) Kinked demand curve
(d) Difference between Microeconomics & Macroeconomics

---------------------------End of Paper--------------------------