

UNIVERSITY OF PUNE
DEPARTMENT OF MANAGEMENT SCIENCES
DIPLOMA IN INDUSTRIAL ADMINISTRATION AND SERVICES MANAGEMENT
MODULE II, EXTERNAL EXAMINATION-2012
203 - MANAGERIAL ECONOMICS.

Time : 3 Hours

Marks : 70

- N.B. : 1) Attempt any five questions.
2) Figures to the right indicate marks assigned to a question or a sub-question.

- Q.1 a) What is Managerial Economics? 6
b) What are the contents of it? 8
- Q.2 a) Explain the Goal of Profit Maximization of an organization. 6
b) (i) Distinguish between : Private Limited Company and Public Limited Company. 8
(ii) Single Proprietorship and Partnership.
- Q.3 a) Explain the Law of Diminishing Marginal Utility. 8
b) Given the Marginal Utility Schedule, find out consumer's surplus if market price is Rs.8 per unit. 6

Unit	1	2	3	4	5	6	7	8
MUn	20	18	15	12	8	5	0	-3

- Q.4 a) Explain any three determinants of demand. 8
b) Given the following information, calculate price elasticity of demand (Arc method) and comment on your answer. 6
- Q.5 a) Explain the Law of Variable Returns. 8
b) Explain the following costs. 6
(i) Total Fixed Cost (ii) Total Variable Costs (iii) Marginal Cost of 'nth' unit.
- Q.6 Write briefly on : 14
(a) Perfect competition (b) Monopoly (c) Bilateral Monopoly
- Q.7 a) Discuss the role of Government in business. 8
b) What are Support Prices, Issue Prices, Cost Plus Prices. 6
- Q.8 Attempt any two (Diagrams are essential) : 14
a) Market equilibrium when demand increases and supply remains constant.
b) Long run average cost curve.
c) Equilibrium of a firm in short period.