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SEAT No. _____

No. of Pages: 01

[25 & A-14]

SARDAR PATEL UNIVERSITY
BBA (FT/IB) SEM- III Year: 2017-18
Subject: Managerial Economics
Code: UM03CBBF05/B05

Date: 25/11/2017
 Day: Saturday

Time: 02:00 to 04:00 pm
 Total Marks: 60

Note: (1) Figures to the right indicate full marks of the question.
 (2) Draw diagrams and give examples wherever necessary.

- Q.1 a) Explain the concept of opportunity cost with the help of example. [08]
 b) Describe the objectives of firm. [07]

OR

- Q.1 a) Explain the concept of risk and uncertainty. [08]
 b) Explain the discounting principle in brief. [07]

- Q.2 Explain the consumer's equilibrium with the help of budget line and indifference curve. [15]

OR

- Q.2 Explain the application of theory of demand in relation to subsidies in cash and kind. [15]

- Q.3 a) Define price elasticity of demand. Distinguish elastic and inelastic demand. [08]
 b) Explain the importance of promotional elasticity of demand. [07]

OR

- Q.3 Write short note on: [15]
 a) Sample survey method
 b) Expert opinion method

- Q.4 Explain the law of variable proportion with the help of iso-quant and iso-cost analysis. [15]

OR

- Q.4 a) Describe the properties of Iso-quant curve. [08]
 b) Discuss Iso-cost line. [07]

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