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M.Com. (E.F.B.) First Semester
FB-101: Economics for Entrepreneurs

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt five questions in all, selecting atleast two questions from each Unit. All questions carry equal marks.

X-X-X

UNIT - I

- I. Discuss the nature & scope of Managerial Economics.
- II. Define Elasticity of Demand. Explain the factors which determine Elasticity of Demand. Also mention its business/managerial uses & importance.
- III. What is an Isoquant? Show the increasing, constant and decreasing returns to scale diagrammatically through isoquants.
- IV. Explain the following concepts of cost:
 - a) Average Fixed Cost
 - b) Average Variable Cost
 - c) Average Total Cost
 - d) Marginal Cost
- V. Explain the short run equilibrium of a firm under perfect competition. When would a competitive firm shut down its business in the short run?

UNIT - II

- VI. Discuss the criteria on the basis of which markets can be classified.
- VII. What is Monopolistic Competition? Why is it called 'monopolistic'? Explain the salient features of Monopolistic Competition.
- VIII. Critically examine Marris's Managerial Theory of the Firm.

P.T.O.

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IX. Write notes on the following:-

- a) Profit Planning and Forecasting
- b) Capital Budgeting

X. Distinguish between Risk & Uncertainty. Explain the measurement of risk with probability distribution. What are the different ways of reducing risk?

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