

2031  
M.Com. (M.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.

x-x-x

**UNIT – I**

- I. Discuss in brief the nature and scope of managerial economics. How does managerial economics contribute to business decision-making? (16)
- II. What is the significance of demand analysis to a manager? Explain, why do demand curves for most of goods slope downward to the right? (16)
- III. What are the criteria of a good forecasting method? Examine the 'trend projection' method and collective opinion method of demand forecasting. (16)
- IV. Describe different cost concepts. What are the relevance of cost theories in business decision -making. (16)
- V. Elucidate the law of variable proportions. How does it differ from the law of returns to scale? (16)

**UNIT – II**

- VI. What are the characteristic features of monopolistic competition? Show how an individual firm will attain equilibrium under monopolistic competition. (16)
- VII. Explain the technique of multiple product pricing. Illustrate your answer. Why can't single average price be fixed for all products? (16)
- VIII. Compare the behavioural theory of the firm with the traditional theory of firm. Are the two complementary or substitutes? (16)

P.T.O

(2)

IX. What considerations are taken into account by a firm while making investment decision?  
Explain them briefly. (16)

X. Write notes on the following:-

a) Capital budgeting

b) Locational decisions

(2x8)