

NO3AGF

Time- 2.5 Hours

Marks- 75

- N.B.** 1. All questions are compulsory.
 2. Figures to the right indicate full marks.
 3. Use of simple calculator is allowed.

Q.1 Answer any two from the following.

(15)

1. Variation & change in demand
2. Types of cross elasticity of demand
3. Nature & scope of managerial economics

Q.2 Explain any two from the following.

(15)

1. Producer's surplus
2. Concepts of costs
3. Relationship between TR, AR & MR under perfect competition

Q.3 Answer any two from the following.

(15)

1. Features of monopoly
2. Price-output determination of a firm under perfect competition in long run
3. Types of price discrimination

Q.4 Answer any two from the following.

(15)

1. Short run equilibrium of a firm under monopolistic competition
2. Features of Oligopoly
3. Full cost pricing method

Q.5 Solve the following case study.

(15)

A recently opened fast food restaurant 'SAI-ANAND' in a small town wants to study the impact of increasing labour force in short run, on its sales of dishes. The owner is aware about the demand for special dishes will increase rapidly due to the good quality of food & lack of competition in town. But an owner is not able to expand either the seating area or kitchen capacity immediately. In order to meet the rising demand the restaurant proposes to hire more waiters or cooks.

To analyse the impact of increasing variable factors without changing capacity, the restaurant owner make to following estimates-

P.T.O

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No. of workers	No. of plates served per day(TP)
1	60
2	130
3	300
4	470
5	610
6	700
7	770
8	820
9	790
10	720

Questions:-

1. Calculate average product & marginal product from this data.
2. Mark the three stages of production in short run.
3. Determine the point at which the restaurant will begin to experience diminishing returns.
4. State the different reasons of diminishing returns.
5. What measures you will suggest to the owner to improve the returns in the long run?