



**Paper: Managerial Economics  
University of Sargodha**

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**MCOM/TERM**

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Objective part is compulsory. Attempt any three questions from subjective part.

**Objective Part**

**Q No1: Explain the following terms (16 x 2= 32)**

1. Giffin Commodity
2. Price Discrimination
3. Conditions of Firm's Equilibrium
4. Multiple Regression
5. Accounting Profit
6. Forecasting
7. Elasticity of Demand
8. Marginal Rate of Technical Substitution
9. Price Effect and Income Effect
10. Four Properties of indifference Curves
11. Iso Cost Curve
12. Production Function
13. Draw Short run Average Cost and Marginal Cost Curves
14. Linear Curve
15. Relation between Average Utility & Marginal Utility
16. Correlation

**Subjective Part**

**Q.No.2** Managerial Economics is very important branch of economics. Discuss in detail.

**Q.No.3** How can a consumer get equilibrium when marginal rate of substitution between two commodities is equal to their price ratio?

**Q.No.4** What is elasticity of Demand? How can it be measured with the help of Total Expenditure method?

**Q.No.5** In what way the prisoner's dilemma related to the choice of dominant strategies by the players in a game and to the concept of Nash Equilibrium?

**Q.No.6** Given the demand and cost function of a firm

$$P = 100 - 0.01 Q$$

$$TC = 50Q + 30,000$$

- (i) Find the level of output and price at which profit is maximum
- (ii) Maximum Profit of the firm.

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