

BE with MBA
Second Semester, First Periodical Test
Managerial Economics

Time allowed: 1 Hours

Max. Marks: 25

Answer the following questions:

1. What are assumptions of perfect competition market model? Discuss one condition under perfect competition, when a firm would maximize profit in the short run?
(10)
2. Discuss law of variables proportion.
(10)
3. What is price discrimination? What are the conditions for discriminating prices?
(5)