

(6 pages)

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MASTER OF BUSINESS ADMINISTRATION (CBCS)
DEGREE EXAMINATION, NOVEMBER 2017.

First Semester

MANAGERIAL ECONOMICS

(For those who joined in July 2016 and afterwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. In Economics, the capacity of a commodity to satisfy human wants is called _____.
(a) wants (b) desire
(c) utility (d) demand
2. For substitute commodities, the cross demand curve slopes _____.
(a) downward (b) upward
(c) vertically (d) horizontally

3. Iso product curves are otherwise known as _____ curves

- (a) equal - product (b) product indifference
(c) Iso-quant (d) all the above

4. _____ costs remain unaltered even after a change in the level of nature of business activity.

- (a) Book (b) Sunk
(c) Common (d) Cash

5. Supply curve of a perfectly competitive firm is _____

- (a) not existing
(b) upward sloping
(c) downward sloping
(d) horizontal in shape

6. In case the marginal cost of production is zero, the monopolist would produce at the point where price elasticity is _____

- (a) unity (b) zero
(c) negative (d) positive

7. _____ is a practice of selling two or more products together for a single price

- (a) Skimming (b) Penetrating
(c) Bundling (d) Discounting

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8. At Break-Even Point, the relationship between TC and TR is given by _____
- (a) $TC=TR$ (b) $TC \neq TR$
 (c) $TC \leq TR$ (d) $TC \geq TR$
9. Personal disposable income is gross income of households _____ payment of taxes
- (a) after (b) before
 (c) net (d) gross
10. _____ occurs when supply of goods is not fully responsive to increase in supply of money
- (a) Built in inflation
 (b) Price inflation
 (c) Hyperinflation
 (d) Indexation

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Describe the objectives of the firm.

Or

- (b) Explain the important properties of indifference curves.

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12. (a) Write a note on Marginal Rate of Technical Substitution.

Or

Distinguish between cost of debt capital and cost of equity capital.

13. (a) Explain the long run equilibrium under perfect competition.

Or

- (b) Describe product differentiation.

14. (a) Explain the pricing of multiple products.

Or

- (b) What are the Alternative profit policies? Explain.

15. (a) Briefly explain the saving and investment approach to under employment equilibrium.

Or

- (b) State the objectives of Fiscal policy.

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PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Explain the scope of Managerial Economics.

Or

- (b) Illustrate the Law of Diminishing Marginal Utility.

17. (a) Discuss the Diseconomies of Scale.

Or

- (b) Discuss about the Discounted Cash Flow Technique.

18. (a) What do you mean by monopoly? Bring out its characteristics.

Or

- (b) Describe the pricing methods under oligopoly.

19. (a) Critically evaluate the mark-up pricing theory.

Or

- (b) Explain the application of Break — Even Analysis in profit forecasting.

20. (a) Explain the different concepts of National income.

Or

- (b) Discuss the causes of unemployment.

