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M.B.A.(CBCS) DEGREE EXAMINATION,
NOVEMBER 2020.

First Semester

Business Administration

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 the questions.

Choose the correct answer :

1. _____ refers to the amount demanded increases with a fall in price and diminishes with a rise in price
 - (a) Law of demand
 - (b) demand forecasting
 - (c) elasticity of demand
 - (d) Equilibrium

2. _____ denotes the capacity of a commodity to satisfy human want Goods and services have power to satisfy wants.
- (a) Market demand (b) utility
(c) return to scale (d) Capital budgeting
3. _____ is the organized activity of transforming resources into finished products in the form of goods and services.
- (a) Profit (b) price discrimination
(c) profit policy (d) production
4. _____ refers to returns to scale become constant as the increase in total output is X on exact proportion to the increase in inputs.
- (a) Equilibrium price
(b) Constant return to scale
(c) short run cost relationship
(d) production function
5. _____ is a market structure in which all firms in an industry are price - takers and in which there is freedom of entry into and exit from the industry.
- (a) Monopolistic competition
(b) Oligopolistic competition
(c) perfect competition
(d) imperfect competition.

6. _____ model of oligopoly was developed by Paul Sweezy, Hall and Hitch.
- (a) Peak load pricing
 - (b) Kinked Demand Curve
 - (c) cost plus pricing
 - (d) product building
7. _____ involves adding a markup to the cost of goods and services to arrive, at a selling price.
- (a) Cost plus pricing (b) profit policy
 - (c) profit theory (d) price leadership
8. _____ means projection of future earnings after considering all the factors affecting the size of business profits, such as firm's pricing policies, costing policies, depreciation policy, and so on.
- (a) Profit planning
 - (b) profit maximization
 - (c) Profit forecasting
 - (d) pricing of multiple products
9. _____ is the sum of the wages, rent, interest and profits paid to factors for their contribution to the production of goods and services in a year.
- (a) Personal income (b) National income
 - (c) fiscal policy (d) monetary policy

10. _____ is a state of disequilibrium in which a contraction of purchasing power tends to cause or is the effect of a decline of the price level.
- (a) Inflation (b) WPI
(c) Deflation (d) CPI

PART B — ($5 \times 5 = 25$ marks)

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

Each answer should not exceed 250 words.

11. (a) Identify the areas of decision making where managerial economics prescribes specific solutions to business problems.

Or

- (b) List out the major objectives of the firm.

12. (a) What are the assumptions of law of variable proportion?

Or

- (b) Briefly explain the various approaches of measurement of Cost-Output relationship.

13. (a) Briefly discuss about the determinants of market structure.

Or

- (b) State the characteristics of oligopoly market.

14. (a) What are the advantages of profit forecasting?

Or

- (b) List out the various assumptions of Break Even Analysis.

15. (a) What are the effects of inflation?

Or

- (b) List out the uses of National Income Estimates.

PART C — ($5 \times 8 = 40$ marks)

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

Each answer should not exceed 600 words.

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

Or

- (b) Discuss about the different types of elasticity of demand.

17. (a) What are the types of production function? Explain.

Or

- (b) Discuss about production ISO-Quants.

18. (a) Explain how the price and output is determined in perfect competition.

Or

- (b) What do you mean by shut down point? Explain why a firm suffering from losses.

19. (a) What are the factors influencing profit forecasting? Explain.

Or

- (b) Critically evaluate the steps involved in profit planning.

20. (a) What are the objectives of Economic Policies? Explain in detail.

Or

- (b) Is growth in technology creates employment opportunities? Discuss.
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