(6 pages)

Reg. No. : ....

Code No. : 8921 **Sub. Code : HBAM 14**

M.B.A. (CBCS) DEGREE EXAMINATION, NOVEMBER 2015.

First Semester

Business Administration

MANAGERIAL ECONOMICS

(For those who joined in July 2012 and afterwards)

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Demand curve is

   (a) A dynamic concept

   (b) A neutral concept

   (c) A quantity concept

   (d) A minimum concept.

2. If two commodities are jointly demanded they are

   (a) Substitutes (b) Giften goods

   (c) Complements (d) Multiple goods.

3. Advertisement cost is a

   (a) Fixed cost

   (b) Variable cost

   (c) Fixed in some cases and variable cost in some other cases

   (d) None of the above.

4. Which of the following is not a factor of production?

   (a) Capital (b) Consumption

   (c) Enterprise (d) Labour.

5. Efficient allocation of resources is likely to be achieved under

   (a) Perfect competition

   (b) Oligopoly

   (c) Duopoly

   (d) Monopoly.

6. Marshall does not analyse pricing under

   (a) The Market period

   (b) The short period

   (c) The long period

   (d) The secular period.

7. Price discrimination will always lead to

   (a) Decrease in output

   (b) Increase in output

   (c) No change in output

   (d) Increase in output followed by decrease in output

8. The demand for factor is a/an

   (a) Cross demand (b) Price demand

   (c) Income demand (d) Derived demand

9. Okun's law state that for every percent point increase in the unemployment rate there is a

   (a) 2% drop in real GDP

   (b) 2.5% drop in real GDP

   (c) 4% drop in real GDP

   (d) 10% drop in real GDP.

10. The Phillips curve is based on the study of

   (a) 26 years (b) 52 years

   (c) 37 years (d) 49 years

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) Explain the factors influencing managerial decision making.

Or

(b) Describe the circular flow of economic activity.

12. (a) Define marginal productivity. What is meant by equilibrium in production?

Or

(b) What are isoquants and isocosts?

13. (a) What are the characteristics of oligopoly?

Or

(b) Compare perfect and imperfect competition.

14. (a) Discuss the need for profit planning and control.

Or

(b) What are the determinants of price?

15. (a) Explain the unemployment problem in India.

Or

(b) How does inflation affect the production structure in an economy?

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Analyse the relationship of managerial economics with other discipline.

Or

(b) Examine the law of supply with the help of schedule and diagram.

17. (a) Describe the relationship between short run and long run cost.

Or

(b) Explain the advantages and limitations of large scale production.

18. (a) Describe the situation under which a firm should take shutdown decision.

Or

(b) Explain imperfect collusion. Discuss price leadership model of oligopoly.

19. (a) Describe the possibilities of price discrimination.

Or

(b) Explain the pricing policies at various stages of product life cycle.

20. (a) Describe the various phases of business cycle and explain the steps that businessman may take to safeguard themselves against the evil of a business cycle.

Or

(b) Explain the various methods of measuring National Income.