

(6 pages)

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Sub. Code : HBAM 14

M.B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2013.

First Semester

Business Administration

MANAGERIAL ECONOMICS

(For those who joined in July 2012 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer:

1. Micro economic approach is
 - (a) Total
 - (b) Individualistic
 - (c) Aggregative
 - (d) None of the above
2. Demand curve is
 - (a) A dynamic concept
 - (b) A neutral concept
 - (c) A quantity concept
 - (d) A minimum concept

3. The real aim of production is
 - (a) To create material goods
 - (b) To eliminate poverty
 - (c) To satisfy people's wants
 - (d) To provide basic necessities
4. Which of the following is not a factor of production
 - (a) Capital
 - (b) Consumption
 - (c) Enterprise
 - (d) Labour
5. Selling cost exists under
 - (a) Pure monopoly
 - (b) Pure competition
 - (c) Monopolistic competition
 - (d) Duopsony
6. Which is the important feature of monopolistic competition?
 - (a) Product differentiation
 - (b) Abnormal profit
 - (c) Single producer
 - (d) None of the above



7. Economic rent is
- (a) A surplus not a cost
 - (b) Neither a surplus nor a cost
 - (c) A cost not a surplus
 - (d) None of the above
8. There is no tendency towards the equality of wages because
- (a) Skills and abilities differ
 - (b) Labour lacks complete mobility
 - (c) Some occupations have non pecuniary advantages or disadvantages
 - (d) Trade unions strength
9. Okun's law state that for every percent point increases 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

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10. Which one of the following is not flow concept?

- (a) Production (b) Capital
- (c) Investment (d) Consumption

PART B — (5 × 5 = 25 marks)

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

11. (a) How does managerial economics differs from economics?

Or

- (b) Briefly describe the market equilibrium.

12. (a) Explain the Linear production function.

Or

- (b) Write a note on Long run cost curve.

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

Or

- (b) Compare perfect and imperfect competition.

14. (a) What is profit forecasting? Describe any one approach to profit forecasting.

Or

- (b) What is the relationship between MR, AR and Price of the product of a firm, when the firm is in equilibrium?

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15. (a) Describe the role of fiscal policy in business.

Or

- (b) What are the causes of Inflation. Explain.

PART C — (5 × 8 = 40 marks)

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

16. (a) "Managerial economics has assumed a significant role in business firm" – Comment.

Or

- (b) Describe the elasticity of demand with suitable example.

17. (a) Describe the modern theory of cost curve.

Or

- (b) Explain the applications of various tools in capital budgeting decision.

18. (a) Evaluate the monopolistic competition.

Or

- (b) Compare between monopoly equilibrium and competitive equilibrium.

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19. (a) Explain the various profit forecasting methods.

Or

- (b) Describe the break even analysis. State its uses and limitations.

20. (a) What is the link between economic performance and the development of economic thought and policy? — Explain.

Or

- (b) Discuss the problem of measurement of national income in a developing economy.

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