(6 pages) Reg. No. : ....

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M.B.A. (CBCS) DEGREE EXAMINATION, NOVEMBER 2014.

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 the questions.

Choose the correct answer :

1. The concept of elasticity of demand was introduced into economic theory by

(a) Adam Smith (b) Marshall

(c) Jel Dean (d) Lipsey

2. Economic laws are

(a) Basic statement of consumer behaviour

(b) Statement of economic tendencies

(c) Guiding principles of free market economy

(d) Accepted norms in a society

3. Production means transforming

(a) Inputs into outputs

(b) Cost into revenue

(c) Demand into revenue

(d) Commodities into finished goods

4. An example of a variable input is

(a) Raw materials (b) Energy

(c) Hourly labourers (d) All the above

5. The break even point is the point, where

(a) TR = TC (b) TR > TC

(c) TR < TC (d) None of the above

6. An example of a market which approaches fairly near to perfect competition is

(a) The retail market

(b) The house market

(c) The labour market

(d) The foreign exchange market

Net profit is

(a) Gross profit – implicit cost

(b) Total income

(c) Total cost

(d) Revenue cost

The supply price of entrepreneurship refers to

(a) Economic rent (b) Normal profit

(c) Rent of ability (d) Salaries of managers

Kaldor's model of trade cycle is based on

(a) Saving (b) Investment

(c) MEC (d) Both (a) and (b)

). The interest rate policy is a component of the

(a) Monetary policy (b) Fiscal policy

(c) Trade policy (d) Wage policy

PART B — (5 × 5 = 25 marks)

nswer ALL questions, choosing either (a) or (b), each answer should not exceed 250 words.

. (a) Elucidate the scope of managerial economics.

Or

(b) State and explain the nature of the firm.

12. (a) What are the basic concepts of production theory?

Or

(b) Explain the various economics of scale.

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

Or

(b) State the features of monopolistic competitions.

14. (a) When is penetration pricing adopted – Explain with example.

Or

(b) What are the uses and limitation of Break Even Analysis?

15. (a) Suggest appropriate fiscal and monetary policies for fighting depression.

Or

(b) Describe the various factors affecting macro economics activity.

PART C — (5 × 8 = 40 marks)

wer ALL the questions, choosing either (a) or (b),
each answer should not exceed 600 words.

(a) State and describe the nature of the firm.

Or

(b) Explain the important determinants of demand.

(a) What is meant by iso cost? Describe the iso cost curves.

Or

(b) Explain the terms :

(i) Cost of capital

(ii) Returns to scale.

(a) How is equilibrium of firm determined under competitive environment?

Or

(b) Is price indeterminate in oligopoly? Point out the causes for this indeterminateness under oligopoly.

19. (a) What are the essential differences between perfect competition and monopoly, relating price and quantity of the product? Explain.

Or

(b) Describe the following terms :

(i) Product bundling

(ii) Profit policies

(iii) Profit planning.

20. (a) Critically evaluate the implications of monetary and fiscal policies on business.

Or

(b) How important is it to control inflation?

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