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Name.....

Reg. No.....

**FIRST SEMESTER B.B.A. DEGREE (PRIVATE/SDE)
EXAMINATION, APRIL/MAY 2013**

(CCSS)

BB1 C01—MANAGERIAL ECONOMICS

	Time	Weightage
Part I Descriptive Questions	2.45 Hours	27
Part II Multiple Choice Questions	0.15 Hour	3
Maximum	3 Hours	30 Weightage

Part I**Part A***Answer all nine questions.**Each question carries a weightage of 1.*

1. Define Economics.
2. Define the term "Demand".
3. What do you mean by cross elasticity of demand.
4. Explain production function.
5. Distinguish between Marginal cost and Average cost.
6. Define price discrimination.
7. Define Oligopoly.
8. Define Business cycles.
9. What do you mean by skimming price policy ?

(9 × 1 = 9 weightage)**Part B***Answer any five questions.**Each question carries a weightage of 2.*

10. Explain Laws of Demand. What are its assumptions ?
11. What is demand forecasting ? Explain any two methods of demand forecasting for a new product.
12. What are the characteristics of Managerial Economics ?

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13. Distinguish between Marginal cost pricing and Full cost pricing. State any *two* advantages of each.
14. Explain the characteristics features of perfect competitive market.
15. Explain briefly the factors affecting pricing decisions.
16. Explain the different phases of Business cycles.

(5 × 2 = 10 weightage)

Part C

*Answer any two questions.
Each question carries a weightage of 4.*

17. What is monopoly market ? Explain how equilibrium is attained under monopoly market.
18. Explain the economies and diseconomies of scale.
19. Define Managerial Economics. How does it differ from Pure Economics ? Explain the scope of managerial economics.

(2 × 4 = 8 weightage)

Part II

Multiple Choice Questions

Time : 15 Minutes

Maximum : 3 Weightage

1. Functional relationship between input and output known as :

(a) Conversion.	(b) Production function.
(c) Work in progress.	(d) Output function.
2. Iso-cost line indicate the price of :

(a) Output.	(b) Inputs.
(c) Finished goods.	(d) Raw material.
3. _____ product will never be zero or negative.

(a) Marginal.	(b) Total.
(c) Average.	(d) All the above.
4. A graph indicating different combination of inputs with different level of output is called :

(a) Iso-cost map.	(b) BEP map.
(c) Input-output map.	(d) Iso-quant map.
5. Which is not a property of ISOQUANT ?

(a) Downward sloping.	(b) Convex.
(c) Negative slope.	(d) Positive slope.

6. Which of the following is not a variable input ?
- (a) Raw material. (b) Power.
(c) Equipment. (d) None of these.
7. Which of the following is a short run law ?
- (a) Law of constant return to scale. (b) Law of increasing return to scale.
(c) Law of diminishing return. (d) None of these.
8. _____ is called produced means of production.
- (a) Land. (b) Labour.
(c) Capital. (d) Raw material.
9. In the long run all input become _____.
- (a) Fixed. (b) Variable.
(c) Semi-variable. (d) None of these.
10. The properties of indifference curves are :
- (a) Indifference curve slopes downwards from left to right.
(b) Convex to the point of origin.
(c) Two indifference curve never cut each other.
(d) All of these.
11. Price discrimination occurs when variation in prices for a product in different markets does not reflect variation ?
- (a) Costs. (b) Price.
(c) Demand. (d) All of these.
12. A cost that has already been committed and cannot be recovered known as :
- (a) Sunk cost. (b) Total cost.
(c) Full cost. (d) Variable cost.
13. The competitive firm's long run supply curve is the portion of its _____ curve lies above average total cost.
- (a) Marginal cost. (b) Revenue cost.
(c) Fixed cost. (d) All of these.
14. Whenever marginal cost is more than _____ average total cost is falling :
- (a) Average total revenue. (b) Average total cost.
(c) Average profit. (d) All of these.

Turn over

15. Whenever _____ is greater than average total cost, average total cost is rising.
- (a) Marginal cost. (b) Variable cost.
(c) Fixed cost. (d) Full cost.
16. The claim that, other things equal, the quantity supplied of a goods rises when the price of goods raises known as :
- (a) Law of economics. (b) Law of supply.
(c) Law of demand. (d) All of these.
17. The marginal revenue equation can be derived from the :
- (a) Demand equation. (b) Supply equation.
(c) Cost equation. (d) Price equation.
18. Which is the determinant of the pricing policy of a firm ?
- (a) Channel of distribution. (b) Age of product.
(c) Consumer association. (d) All of these.
19. Information for pricing decisions involves :
- (a) Product information. (b) Market information.
(c) Information at the micro level. (d) All of these.
20. Which is the reason of skimming price ?
- (a) Inelastic demand. (b) Diversion of market.
(c) Safer price policy. (d) All of these.