

D 32463

(Pages : 2)

Name.....

Reg. No.....

FIRST SEMESTER B.Com. DEGREE EXAMINATION, JANUARY 2013
(CCSS)

BC IC 01—MANAGERIAL ECONOMICS

(2010 admissions)

Time : Three Hours

Maximum : 30 Weightage

Part A

*This part consists of three bunches of questions carrying equal weightage.
Each bunch has four questions.
Answer all twelve questions.*

A. Fill in the blanks :

- 1 When income elasticity of demand is greater than unity, the commodity is a ———— type.
- 2 In Managerial economics problems of ———— units are studied.
- 3 Under ———— market, producer can fix the price.
- 4 Goods used for further production are called ———— goods.

B. Choose the correct answer from brackets :

- 5 Marginal costs are most closely related to :
(a) Fixed cost. (b) Variable cost.
(c) Total cost. (d) Total revenue.
- 6 The opportunity cost of a factor of production with specific use is :
(a) Very high. (b) Infinite.
(c) Zero. (d) Constant.
- 7 Price can be increased to shift excise duty to the consumers of the product subject to duty is :
(a) In relatively inelastic demand. (b) In relatively elastic supply.
(c) Of perishable nature. (d) A luxury item.
- 8 The equilibrium of a firm occurs when :
(a) Price = MC. (b) MC = MR.
(c) Price = MR. (d) AC = MC.

C. Answer in one word :

- 9 A fall in price of a commodity leads to a rise in consumers' real.
- 10 In which market condition, a firm will be a price taker ?

Turn over

- 11 The practice of charging different prices for the same commodity to different consumers is called as.
- 12 The revenue earned by selling an additional unit of the product is termed as :
(12 × ¼ = 3 weight)

Part B

*Answer all nine questions in 1 or 2 sentences each.
Each question carries a weightage of 1.*

- 13 Define Economics.
- 14 Define Law of Demand.
- 15 Define Elasticity of demand.
- 16 What do you mean by demand forecasting ?
- 17 Distinguish between Explicit cost and Implicit cost. Give one example of each.
- 18 Distinguish between Average revenue and Marginal revenue.
- 19 What are isoquants ?
- 20 What is meant by price leadership ?
- 21 Define Business cycle.

(9 × 1 = 9 weight)

Part C

*Answer any five questions.
Answer shall not exceed one page each.
Each question carries a weightage of 2.*

- 22 Distinguish between Marginal cost pricing and Cost plus pricing. State any two advantages of each.
- 23 Explain the different phases of business cycles.
- 24 State and explain the Law of Demand with the help of a demand schedule and demand curve.
- 25 Explain the significance of elasticity of demand in pricing decisions.
- 26 Explain the Law of variable proportions.
- 27 What is a monopoly market ? Explain the equilibrium of a firm under monopoly.
- 28 Explain briefly the various advantages of large scale production.

(5 × 2 = 10 weight)

Part D

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

- 29 Define managerial economics and also explain the scope of Managerial Economics.
- 30 Explain briefly the various objectives of pricing policy. What are the factors to be considered while designing pricing policy by firms ?
- 31 What is perfect competition ? State its conditions. Explain price output decision of a firm under perfect competition in the short run.

(2 × 4 = 8 weight)