

FIRST SEMESTER B.Com./B.B.A. DEGREE EXAMINATION, JUNE 2012

(CCSS-UG)

BC 1C 01/BB 1C 01—MANAGERIAL ECONOMICS

(Common for B.Com/B.B.A.)

[Private/SDE]

Time : Three Hours

Maximum :30 Weightage

Part I

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

1. What do you mean by "Advertisement Elasticity" ?
2. Define "Production function".
3. Define "Economics".
4. Define "Demand".
5. What is meant by "diminishing marginal utility" ?
6. What is meant by demand forecasting ?
7. What are ISOQUANT curves ?
8. What are variable costs ?
9. What is price discrimination ?

(9 × 1 = 9 weightage)

Part II

*Answer any five questions.**Each question carries a weightage of 2.*

10. What are the objectives of pricing policy ?
11. Explain the different phases of business cycles.
12. What is cost-plus pricing ? State any two advantages.
13. What is price leadership ? State its features and advantages.
14. What are the characteristics of a perfect competitive market ?
15. What are the advantages of large scale production ?
16. Explain the various forecasting methods for a new product.

(5 × 2 = 10 weightage)

Turn over

Part III

Answer any two questions.

Each question carries a weightage of 4.

17. Define Managerial Economics and discuss its scope.
18. Define monopoly. Explain how price output decisions are taken under conditions of monopoly.
19. State and explain the law of demand. What are its exceptions ?

(2 × 4 = 8 weightage)

Multiple Choice Questions

1. The famous book on economics "An Enquiry into the Nature and Cause of Wealth of Nation" was written by :

(a) Alfred Marshall.	(b) Adam Smith.
(c) J.M. Keynes.	(d) A.C. Pigou.
2. Wealth (Classical) definition of economics is given by :

(a) A.C. Pigou.	(b) Lionel Robbins.
(c) Adam Smith.	(d) Alfred Marshall.
3. _____ is known as the "Father of economics".

(a) A.C. Pigou.	(b) Lionel Robbins.
(c) Adam Smith.	(d) Alfred Marshall.
4. Welfare (neoclassical) definition of economics is given by :

(a) J.B. Say.	(b) Lionel Robbins.
(c) Adam Smith.	(d) Alfred Marshall.
5. The scarcity (New) definition is suggested by :

(a) A.C. Pigou.	(b) Lionel Robbins.
(c) Adam Smith.	(d) Alfred Marshall.
6. Micro economics studies the economic actions and behaviour of :

(a) Individual units.	(b) Economic aggregates.
(c) Total employment.	(d) General price level.
7. Macro economics is concerned with :

(a) The theory of firm.	(b) Household expenditure.
(c) General price level.	(d) Individual consumer behaviour.
8. The author of the book "The General Theory of Employment, interest and money" :

(a) Alfred Marshall.	(b) Adam Smith.
(c) J.M. Keynes.	(d) A.C. Pigou.

9. Managerial Economics is :
- (a) Dealing only micro aspects. (b) Only a normative science.
(c) Deals with practical aspects. (d) All of the above.
10. Modern definition is also called as :
- (a) Growth definition. (b) Welfare definition.
(c) Scarcity definition. (d) Neoclassical definition.
11. Economics was classified into micro and macro by :
- (a) Ragnar Frisch. (b) Adam Smith.
(c) J.M. Keynes. (d) A.C. Pigou.
12. Who is regarded as a father of Business Economics ?
- (a) Joel Dean. (b) Adam Smith.
(c) J.M. Keynes. (d) Ragnar Frisch.
13. Decision-making and _____ are the two important functions of executive of business firms.
- (a) Forward planning. (b) Directing.
(c) Supervising. (d) Administration.
14. "A rupee tomorrow is worth less than a rupee today" relates to :
- (a) Opportunity cost principle. (b) Discounting principle.
(c) Equi-marginal principle. (d) None of these.
15. _____ is micro economic theory.
- (a) Demand theory. (b) Price theory.
(c) Income theory. (d) None of these.
16. Macro economic theory is also called as :
- (a) Demand theory. (b) Price theory.
(c) Income theory. (d) None of these.
17. Allocation of available resources among alternatives is based on the principle :
- (a) Opportunity cost principle. (b) Discounting principle.
(c) Equi-marginal principle. (d) None of these.
18. The techniques of optimization include :
- (a) Marginal analysis. (b) Calculus.
(c) Linear programming. (d) All of the above.

19. Which one is not a characteristics of managerial economics ?

- (a) Micro economics.
- (b) Normative science.
- (c) Positive science.
- (d) Pragmatic.

20. Which is the characteristics of managerial economics ?

- (a) Deals with both micro and macro aspects.
- (b) Both positive and normative science.
- (c) Deals with theoretical aspects.
- (d) Deals with practical aspects.