

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 consumer is called as.
- 12 The revenue earned by selling an additional unit of the product is termed as ;

(12 x 3 = 36 weightage)

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 weightage)

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 x 2 = 10 weightage)

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 x 4 = 8 weightage)