

FIRST SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2014

(CUCBCSS-UG)

Complementary Course

BC IC 01—MANAGERIAL ECONOMICS

Time : Three Hours

Maximum : 80 Marks

Part A

*Answer all the questions.
Each question carries 1 mark.*

1. When a small change in price leads to infinite change in quantity demanded, it is called _____ Demand.
2. If the commodities are substitute in nature, cross elasticity will be _____
3. Where boom ends, _____start.
4. The differences between the new total revenue and existing total revenue is called _____
5. Fixing high price during the introduction is called _____
6. Iso-cost line indicate the price of :
 - (a) Output.
 - (b) Inputs.
 - (c) Finished goods.
 - (d) Raw material.
7. Related to production function, MRTS stand for :
 - (a) Marginal revenue and total sales.
 - (b) Minimum revenue from total sales.
 - (c) Marginal rate of total supply.
 - (d) Marginal rate of technical substitution.
8. Which of the following is not a feature of monopolistic completion ?
 - (a) Large number of producers.
 - (b) Free entry and exit.
 - (c) More elastic demand.
 - (d) Price competition.
9. The process of finding current values of demand for various values of prices and other determining variables is called _____
 - (a) Demand Estimation.
 - (b) Demand analysis.
 - (c) Demand function.
 - (d) Demand forecasting.
10. An increase in income may lead to an increase in the quantity demanded, it is :
 - (a) Positive income elasticity.
 - (b) Zero income elasticity.
 - (c) Negative income elasticity.
 - (d) Unitary income elasticity.

(10 x 1 = 10 marks)

Turn over

Part B

*Answer any **eight** questions.
Each question carries 2 marks.*

11. Mention any three responsibility of a managerial economist.
12. What do you mean by equi-marginal principle ?
13. Discuss how the change in quantity of money in circulation affects the demand for the product.
14. What is law of supply ?
15. What is Delphi technique of demand forecasting ?
16. Mention any two peculiarities of labour as a factor of production.
17. What is Cobb-Douglas production function ?
18. Distinguish between accounting cost and economic cost.
19. What do you mean by kinked demand curve ?
20. What is penetrating pricing policy ?

(8 x 2 = 16 marks)

Part C

*Answer any **six** questions.
Each question carries 4 marks.*

21. Distinguish between economics and managerial economics.
22. Explain the different degrees of elasticity of demand.
23. What are the external diseconomies of scale ?
24. What do you mean by perfect competition ? What are its characteristics ?
25. Explain any five objectives of pricing policy.
26. What is production function ? Explain its assumptions.
27. Discuss the macroeconomic concepts which are useful in business decision.
28. What are the stages of a business cycle ?

(6 x 4 = 24 marks)

Part D

*Answer any **two** questions.
Each question carries 15 marks.*

29. What is demand forecasting ? Explain the different methods of demand forecasting.
30. What are the determinants of demand ? Explain.
31. What is monopoly ? Explain how price and outputs are determined under monopoly.

(2 x 15 = 30 marks)