

FIRST SEMESTER B.B.A. DEGREE EXAMINATION, NOVEMBER 2016**(CUCBCSS—UG)****Complementary Course****BBA 1C 01—MANAGERIAL ECONOMICS****Time : Three Hours****Maximum : 80 Marks****Part I***Answer all questions.*

1. Which of the following is the best definition of managerial economics ? Managerial economics is :
 - (a) Distinct field of economic theory.
 - (b) Combination of economic theory and decision making.
 - (c) Economics combined with mathematics.
 - (d) None of the above.
2. When a firm's average revenue is equal to its average cost, it gets _____.
 - (a) Super profit.
 - (b) Normal profit.
 - (c) Sub normal profit.
 - (d) None of the above.
3. Managerial economics generally refers to the integration of economic theory with business :
 - (a) Ethics.
 - (b) Management.
 - (c) Practice.
 - (d) All of the above.
4. The cost recorded in the books of accounts are considered as :
 - (a) Total cost.
 - (b) Marginal cost.
 - (c) Average cost.
 - (d) Explicit cost.
5. Under _____, price is determined by the interaction of total demand and total supply in the market.
 - (a) Perfect competition.
 - (b) Monopoly.
 - (c) Imperfect competition.
 - (d) All of the above.
6. The out of pocket costs are _____.
 - (a) Sunk costs.
 - (b) Marginal costs.
 - (c) Explicit costs.
 - (d) Social costs.

Turn over

7. Oligopoly is a type of _____ market. A _____ exists in the industry.
- (a) Perfect, few firms. (b) Imperfect, few firms.
(c) Perfect, many firms. (d) Imperfect, many firms.
8. Who acts as the chair person of 'Niti Ayog' ?
- (a) President of India. (b) Finance Minister of India.
(c) Principal Secretary. (d) Prime Minister of India.
9. Adam Smith advocated :
- (a) *Laissez Faire*. (b) Division of Labour.
(c) Both of these. (d) None of these.
10. In case of Giffen Goods demand curve will slope :
- (a) Vertical. (b) Horizontal.
(c) Upward. (d) Downward.

(10 × 1 = 10 marks)

Part II (Short answer questions)

Answer any **eight** questions.

11. Discuss two features of Managerial Economics.
12. Explain the method of cost-plus pricing.
13. Define Isoquant.
14. What do you understand by demand forecasting ?
15. Explain Business risk.
16. Define derived demand.
17. What is meant by price leadership ?
18. Define Delphi technique.
19. What do you mean by average variable cost ?
20. Define Oligopoly.

(8 × 2 = 16 marks)

Part III (Short essay)

Answer any **six** questions.

21. What is oligopoly ? And how does it differ from Monopoly ?
22. Why is demand analysis significant for management ?

23. Discuss the concept of production function with one variable input.
24. Distinguish between Price elasticity and income elasticity of demand.
25. Differentiate between Accounting profit and economic profit. Illustrate with the help of examples.
26. What are the main features of monopoly ?
27. What, do you understand by price discrimination ?
28. "Under perfect competition selling cost are not necessary". Comment.

(6 × 4 = 24 marks)

Part IV (Long essay)

Answer any two questions.

29. A shift in the demand curve for cigarettes is caused by a change in the price of cigarettes. State whether the statements is true/false. Give reasons for your answer.
30. Discuss the fundamental nature of Managerial Economics.
31. Distinguish between perfect competition and oligopolistic competition. Give examples.

(2 × 15 = 30 marks)