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(Pages : 4)

Name.....

Reg. No.....

FIRST SEMESTER B.Com./B.B.A. DEGREE EXAMINATION, NOVEMBER 2018

(CUCBCSS—UG)

Complementary Course

BCM 1C 01—MANAGERIAL ECONOMICS

(2017 Admissions)

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes

Total No. of Questions : 20

Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C), (D) and (E) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

BCM 1C 01—MANAGERIAL ECONOMICS
(Multiple Choice Questions for SDE Candidates)

1. Consumption of a free good will be carried to the point at which :
 - (A) The marginal utility derived from the good equals the marginal utility derived from the consumption of all other goods.
 - (B) The total utility derived from the good equals the total utility derived from the consumption of all other goods.
 - (C) The total utility derived from the good is maximised.
 - (D) The marginal utility derived from the good begins to decline.
2. The typical indifference curve _____.
 - (A) Shows that as a consumer has more of a good he/she is less willing to exchange it for one unit of another good.
 - (B) Shows all combinations of goods that give a consumer in same level of utility.
 - (C) Shifts out if income increases.
 - (D) Both (B) and (C).
3. The rate at which a consumer is able to substitute one good for another is determined by the _____.
 - (A) Consumers income.
 - (B) Indifference map.
 - (C) Ratio of the prices of the goods.
 - (D) Marginal rate of substitution.
4. Along an indifference curve :
 - (A) The ratio of the marginal utilities is constant.
 - (B) MRS is constant.
 - (C) The price ratio is constant.
 - (D) Both (B) and (C).
 - (E) None of the above.
5. Which of the following is the measure to control inflation ?
 - (A) Granting credit on liberal terms.
 - (B) Raising bank rate.
 - (C) Demonetization.
 - (D) None of these.

6. Employment of people who take jobs below their capacity is known as :
- (A) Underemployment. (B) Disguised unemployment.
(C) Cyclical unemployment. (D) None of these.
7. Which of the following is not a development issue in India ?
- (A) Unemployment. (B) Population pressure.
(C) Inflation. (D) Decreasing trend of foreign capital.
8. Indian economy growth is primarily driven by :
- (A) Industry. (B) Agriculture.
(C) Service. (D) None of these.
9. The concept of consumer surplus was developed by :
- (A) Marshal. (B) H.H. Ghosen.
(C) Bhentham. (D) None of these.
10. Which of the following is correct ?
- (A) Indifference curve has a negative slope.
(B) Indifference curve is a convex to the point of origin.
(C) Two indifference curves may intersect each other.
11. The study of entire economic system is called :
- (A) Macro economics. (B) Micro economics.
(C) Economics. (D) None of these.
12. The author of "the wealth of nations" is :
- (A) Marshal. (B) Ricardo.
(C) Robins. (D) Adam Smith.
13. If the price of DVRs fell and as a result the demand for VHS recorders fell we could conclude that VHS recorders DVRs are :
- (A) Normal goods. (B) Substitutes.
(C) Elastic goods. (D) Unrelated.

Turn over

14. What effect is working when the price of a good falls and consumers tend to buy it instead of other goods ?
- (A) Income effect. (B) Substitution effect.
(C) Price effect. (D) None of these.
15. Demand curve slopes downwards because of :
- (A) The law of diminishing marginal utility.
(B) The income effect.
(C) Substitution effect.
(D) All of the above.
16. Which of the following is not a survey method of demand forecasting ?
- (A) Consumers interview method. (B) Expert opinion method.
(C) Barometric method. (D) Collective opinion method.
17. Which of the following is not a method of demand forecasting ?
- (A) Trend projection method. (B) Substitute approach.
(C) Sales experience approach. (D) Evolutionary approach.
18. In which production function, the degree of homogeneity is always one :
- (A) Cobb Douglas production function.
(B) Homogeneous production function.
(C) Linear homogeneous production function.
(D) None of these.
19. Which of the following is not a variable input ?
- (A) Raw material. (B) Power.
(C) Equipment. (D) None of these.
20. Which cost are recorded in books of accounts ?
- (A) Opportunity cost. (B) Implicit cost.
(C) Social cost. (D) Explicit cost.

FIRST SEMESTER B.Com./B.B.A. DEGREE EXAMINATION, NOVEMBER 2018**(CUCBCSS—UG)****Complementary Course****BCM 1C 01—MANAGERIAL ECONOMICS****(2017 Admissions)****Time : Three Hours****Maximum : 80 Marks****Part A***Answer all the questions.**Each question carries 1 mark.*

1. The law which implies that a person demands more at a lower price and less at a higher price is known as _____.
2. The technique of forecasting demand based on the opinions of the experts is known as _____.
3. In personal price discrimination, different prices are charged to different _____.
4. The unemployment which occurs due to mismatch between the jobs that are available and the skills of workers who are seeking jobs is called _____.
5. The earnings that might have been obtained from forgone choices or opportunities is called as _____.
6. Giffen Paradox is an exception to :
 - (A) Law of diminishing marginal utility.
 - (B) Law of demand.
 - (C) Law of returns to scale.
 - (D) Law of supply.
7. Among the following which is not a determinant of advertisement elasticity of demand ?
 - (A) Growth of substitutes.
 - (B) Effectiveness of competing firm's advertisement.
 - (C) Level of production.
 - (D) Level of total sales.

Turn over

8. Which is a characteristic of oligopoly :
- (A) One seller. (B) No transportation cost.
(C) Homogenous product. (D) Interdependence.
9. The market condition in there are only two sellers is called :
- (A) Monopoly. (B) Duopoly.
(C) Monopsony. (D) Perfect competition.
10. Among the following which is not a reason for law of Demand :
- (A) Diminishing marginal utility. (B) Income effect.
(C) Substitution effect. (D) Production function.

(10 × 1 = 10 marks)

Part B

*Answer any **eight** questions.*

Each question carries 2 marks.

11. What are the characteristics of managerial economics ?
12. What is shown by an Isoquant Curve ?
13. What is dumping ?
14. How 'Opinion poll approach' is used in demand forecasting ?
15. What do you understand by the term economies of scale ?
16. What are IPRs ?
17. Write any two causes for the operation of the Law of Diminishing returns.
18. Give welfare definition of economics.
19. Which are the types of unemployments ?
20. What are explicit costs ?

(8 × 2 = 16 marks)

Part C

*Answer any **six** questions.*

Each question carries 4 marks.

21. Distinguish between economics and managerial economics.
22. What are the assumptions of Law of Diminishing returns.
23. What are the purposes of short term demand forecasting ?

24. Which are the types of inflation ?
25. What are advantages of price leadership ?
26. Distinguish between cost reduction and cost control.
27. What are the characteristics of perfect competition ?
28. Briefly explain the role of managerial economics.

(6 × 4 = 24 marks)

Part D

*Answer any **two** questions.*

Each question carries 15 marks.

29. Bring out meaning and characteristics of monopoly. What are its causes for monopoly ? How prices determined under monopoly ?
30. What are problems faced by Indian Economy ?
31. Explain the meaning and degrees of price elasticity of demand. Which are the factors affecting it ?

(2 × 15 = 30 marks)