FIRST SEMESTER B.Com. DEGREE EXAMINATION, JANUARY 2013 (CCSS)

BC 1C. 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.

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 ?

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 weightage)

Part B - Answer all nine questions in 1 or 2 sentences -each.

Each question carries a weightage of I.

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 x 1 = 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)

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)