

Code: BA1T2

I MBA-I Semester-Regular Examinations-MARCH 2013

MANAGERIAL ECONOMICS

Duration: 3hours

Max. Marks: 70

SECTION-A

Answer any FIVE of the following.

5 x 2=10 marks

- a. What is Income Elasticity of Demand?
- b. Delphi technique.
- c. Opportunity cost.
- d. Monopoly profit
- e. What is Oligopoly?
- f. Penetration Pricing.
- g. What is GNP?
- h. Characteristics of Boom period.

SECTION-B

Answer the following.

5 x 10 = 50 marks

2. a. Define Managerial Economics and state its relationship with other subjects.

(Or)

- b. What is incremental cost concept? How does it help in managerial decision making?

3. a. What is Law of Demand? State the exemptions to the Law of Demand.

(Or)

b. What is Demand forecasting? Explain about Demand forecasting techniques.

4. a. What is Returns to Scale? Discuss about the stages in Returns to Scale.

(Or)

b. What is Cobb-Douglas Production function? Explain its managerial uses.

5. a. Explain the characteristic features of Monopolistic competition. How price is determined in monopolistic competition.

(Or)

b. Discuss various pricing methods adopted by Firms.

6. a. Discuss in brief various theories of profit.

(Or)

b. Explain about the typical phases of a Business cycle.

SECTION-C

7. CASE STUDY

1 x 10 = 10 marks

Break Even Production of a firm is 5000 units. Its fixed cost is Rs. 50,000. The variable cost per unit is Rs. 25. Find out the price of the product. How much the firm should produce to earn a profit of Rs. 25,000? Forecast the profits for the sales volume of Rs. 35,000 and Rs. 70,000.