FIRST SEMESTER M.B.A. DEGREE EXAMINATION
FEBRUARY 2013

(CCSS)

BUS 1C 07 – MANAGERIAL ECONOMICS

(2009 Admissions)

Maximum : 60 Marks

ee Hours

Answer all Sections / Parts.

Part A
Answer all the questions.
Each question carries 2 marks.

. What is elasticity of demand?

. What is decision-making?

. Define production function.

. What is economies of scale?

. Differentiate between iso-quants and iso-cost lines.

(5 × 2 = 10 marks)

Part B
Answer any four questions.
Each question carries 5 marks.

6. Explain the significance of managerial economics.

7. Explain the factors influencing price elasticity of demand.

8. Explain the important determinants of demand.

9. Explain the Law of Diminishing Returns to scale.

10. How does a long run production function differ from a short run production function?

11. Examine the problems of national income accounting.

(4 × 5 = 20 marks)

Part C

Answer any **two** *questions.*

Each question carries 7½ marks.

12. Explain the various cost concepts relevant for decision-making at the firm level.

13. Explain how the firm reaches equilibrium under monopolistic competitive market.

14. Discuss the problems faced by the management in formulating pricing policies on new products.

(2 × 7½ = 15 marks)

Part D (Compulsory)

15. The demand function for Juice in a city Qd = 400–4P, where Qd = quantity demanded of juice (in '000 bottles per week), P = the price of juice per bottle :

    (a) Construct a demand curve assuming price Rs.10, 12, 15 and 25 per bottle.

    (b) At what price would demand be zero.

    (c) If the producer wants to sell 3,80,000 bottles per week, what price should he charge?

    (15 marks)