

D 53847

(Pages : 2)

Name.....

Reg. No.....

FIRST SEMESTER M.B.A. DEGREE EXAMINATION, JANUARY 2014

BUS IC 07—MANAGERIAL ECONOMICS

(2013 Admissions)

Time : Three Hours

Maximum : 36 Weightage

PART A

Answer the following. Each question carries 1 weightage

1. What is marginalism?
2. What is opportunity cost principle?
3. What is equimarginal concept?
4. Elucidate the law of variable proportion?
5. What are isocost lines?
6. What is depression?

(6 X 1=6)

PART B

Answer any Six of the following. Each question carries 3 weightage

7. Write a note on incremental concept in economics.
8. Enumerate the methods of demand forecasting and explain any two of them?
9. What is production isoquant? Briefly explain.
10. Write a note on imperfect competition with suitable examples.
11. Explain how production functions can be estimated?
12. Write a note on the merits and demerits of Mahalanobis model.
13. Explain the relevance of contra cyclical policies with examples.
14. Discuss in detail the Law of Diminishing Utility explaining Marginal Utility, illustration of the Law, assumptions of the Law and importance of the Law.

(6 X 3 = 18)

PART C

Answer any two of the following. Each question carries 6 weightage

15. An organization has calculated the following elasticities for its product: own Price Elasticity of demand = -0.3, Advertising Elasticity of demand = 0.2, Cross Elasticity of demand = 0.1. What do these imply for pricing and Advertising Policy of the organization?

Turn over

- a. Identify the variables affecting the demand for any consumer good and formulate a demand function.
- b. Identify demand drivers for (i) Tractors (ii) Passenger cars.
16. Analyse the following markets for its market structure and characteristics:
- a. Software industry
- b. Softdrinks sector
- c. Mobile phone market

✓ 17. The sales turnover and profit during two years were as follows :-

Year	Sales Rs.	Profit Rs.
2009	32, 00,000	6, 00,000
2010	36, 00,000	8, 00,000

You are required to calculate:

- (i) Break-even point.
- (ii) The sales required to earn a profit of Rs. 9, 00,000.

(2 X 6 = 12)