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Total Number of Pages : AR-19

MBA

MBA 1<sup>ST</sup> SEMESTER EXAMINATIONS (REGULAR), NOV/DEC 2019  
MB-101 – MANAGERIAL ECONOMICS

Time : 3 Hours

Maximum : 100 Marks

The figures in the right hand margin indicate marks.

PART – I: (Multiple Choice Questions) (10x1=10 Marks)

Q.1. Answer All Questions.

- a a. The concept of supply curve as used in economic theory is relevant only for the case of
  - (a) Oligopoly Competition
  - (b) Perfect or Pure Competition
  - (c) Monopolistic Competition
  - (d) Monopoly
- b Other things being equal, an increase in supply can be caused by
  - (a) A rise in the Income of the consumer
  - (b) An improvement in the techniques of production
  - (c) A rise in the price of the commodity
  - (d) An increase in the Income of the seller
- c Marginal Utility (MU) curve is always
  - (a) Parallel to X-axis
  - (b) Falling
  - (c) Rising
  - (d) Parallel to Y-axis
- d Under Perfect Competition a firm can produce with
  - (a) An optimum plant
  - (b) Identical products at low cost
  - (c) Maximum profit
  - (d) An optimum output
- e In monopoly, the relationship between average revenue and marginal revenue curves is as follows:
  - (a) AR curve lies above the MR curve
  - (b) AR curve lies below the MR curve
  - (c) AR curve coincides with the MR curve
  - (d) AR curve is parallel to the MR curve
- f In short-run, a firm would remain in same business as long as which one of the following of costs is covered?
  - (a) Fixed costs
  - (b) Total costs
  - (c) Variable costs
  - (d) Constant costs
- g Managerial Economics cannot be used to identify
  - (a) Microeconomic consequences of managerial behaviour
  - (b) How macroeconomic forces effect the organization
  - (c) Goals of the organization
  - (d) Ways to efficiently achieve the organization’s goals.
- h The study of Inflation is a part of
  - (a) Normative Economics
  - (b) Macro Economics
  - (c) Micro Economics
  - (d) Descriptive Economics
- i Products produced by Oligopolistic firms are
  - (a) Homogeneous
  - (b) Heterogeneous
  - (c) Differentiated
  - (d) Differentiated or Heterogeneous
- j Decision making situations can be categorized along a scale which ranges from
  - (a) Uncertainty to certainty to risk
  - (b) Certainty to Uncertainty to risk
  - (c) Certainty to risk to Uncertainty
  - (d) Certainty to risk to Uncertainty to ambiguity



PART – II(A): (Short Answer Questions) (10x2=20 Marks)

Q.2. Answer ALL questions

- a Define Managerial Economics.
- b What do you mean by Business Decision?
- c Elaborate the meaning of Demand.
- d What is Demand Forecasting.?
- e Define Opportunity Cost.
- f Define Marginal Cost (MC).
- g Define Production Function.
- h Define the term “ceteris – paribus”.
- i What do you understand by the term “Perfect Competition”?
- j What do you mean by Business Cycle?

PART – II(B): (Short Answer Questions) (8 x 5 = 40 Marks)

Q .3. Answer Any Eight from the following questions

- a. State the meaning and Nature of Managerial Economics.
- b. Discuss the various Determinants of Demand.
- c. What are the Exceptions to the Law of Demand?
- d. State the Law of Supply and explain the factors influencing the Elasticity of Supply.
- e. Explain the theory of law of variable proportion.
- f. Briefly discuss the concept of the Law of Returns to scale.
- g. Explain about Iso-quants.
- h. Write a note on Economies and Dis-Economies of scale.
- i. What is the difference between perfect and monopoly market?
- j. Describe the kinked demand curve with a graph.
- k. How does a monopolist attain equilibrium.
- l. Discuss the causes and control measures of the inflation.

PART – III: Answer any two out of three (15x2=30Marks)

Only Long Answer Type Questions (**Answer any Two out of Three**)

Q4.

- a What are the different types of price elasticity of demand? Illustrate with Examples
- b Illustrate Income and Cross Elasticity of Demand with Examples. ( 8 + 7 )

Q5.

- a Discuss various types of Costs.
- b Critically examine the Cost-Output relationship in the Short run. ( 8 + 7 )

Q6.

- a Is it possible to earn profit in the perfect competition? Justify.
- b How does the monopolistic competitor incur Profit and loss in the business? Explain with a suitable graphs. ( 8 + 7 )