

APRIL 2017

65182/KDA1G

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer any TEN questions each in 50 words.

1. Define social responsibility.
2. What is uncertainty?
3. What are passive forecasts?
4. What is cross demand?
5. What is sunk cost?
6. What is Break-Even Point?
7. What are economies of scale?
8. What do you mean by monopoly?
9. What is shutdown point?
10. What is cartel?
11. What is penetration pricing?
12. What do you mean by input-output analysis?

I M-Com - Managerial Economics.

PART B — (5 × 5 = 25 marks)

Answer any FIVE questions of 200 words each.

13. Discuss the characteristics of managerial economics.
14. Give the demand equation  $Q = 90 - 3P$ , at what price would no one would be willing to buy any of the commodities? If the price is reduced by one rupee, how much will the quantity demanded change?
15. How is demand for new products forecasted? Under what circumstances the customers understate their true Demand for the product? Explain.
16. Explain the statistical estimation of cost functions.
17. Define the term oligopoly. Explain as to price and output determination under oligopoly.
18. Define advertising budget. What are the factors to be considered while setting it?
19. Explain the factors influencing price determination.

PART C — (4 × 10 = 40 marks)

Answer any FOUR questions of 500 words each.

20. Describe the role of a managerial economist.
21. Explain the steps involved in the analysis of risky decisions.
22. Outline the trend projection method of demand forecasting.
23. What are the methods of determining total advertising budget? How do you measure the economic effects of advertising?
24. Enumerate the causes for the increase in sales promotional activities.
25. Explain the method of differential pricing.