

APRIL 2017

72202/MBM1A

Time : Three hours

Maximum : 75 marks

PART A — (10 × 2 = 20 marks)

Answer any TEN questions.

1. Define managerial economics.
2. State equi-marginal principles.
3. What do you mean by elasticity of demand?
4. What is meant by demand schedule?
5. What is meant by production function?
6. What are short run costs?
7. State the law of return to scale.
8. What is dual pricing?
9. What is bid pricing?
10. Define penetration strategy.
11. What is oligopoly?
12. What is perfect competition?

J BBA . Managerial Economics .

**PART B — (5 × 5 = 25 marks)**

Answer any FIVE questions.

13. Discuss the uses of managerial economics.
14. Explain the theory of consumer behaviour.
15. What are the various determinants of demand?
16. Discuss different types of cost concepts.
17. Explain Cobb-Douglas production function and its properties.
18. Is monopoly price always high? Explain.
19. Explain the general consideration of pricing.

**PART C — (3 × 10 = 30 marks)**

Answer any THREE questions.

20. "Managerial Economics is prescriptive rather than descriptive" - Discuss.
21. Define income elasticity of demand and distinguish its various types.
22. Explain the budgeting and standard costing methods of cost control.

23. "Profit maximisation is the primary objective of the firm" - Discuss.

24. Describe broad classification of market.