

NOVEMBER 2017

72202/MBM1A

Time : Three hours

Maximum : 75 marks

PART A — (10 × 2 = 20 marks)

Answer any TEN questions.

1. Define managerial economics.
2. What is the relationship between micro and macro economics?
3. Explain the law of demand.
4. What is Elasticity of demand?
5. What is advertising elasticity of demand?
6. What is production function?
7. What is outlay cost?
8. Define sunk cost.
9. What is full-cost pricing?
10. Define the term price discrimination.
11. Define imperfect competition.
12. Define oligopoly competition.

I BBA - Managerial Economics.

PART B — (5 × 5 = 25 marks)

Answer any FIVE questions.

13. State the relationship between managerial economics and accounting.
14. Describe the factors influencing elasticity of demand.
15. Describe the elasticity of demand and revenue relationship.
16. Explain the various methods of forecasting.
17. Explain the important methods of measuring cost-output relation and their merits.
18. Describe the skimming price strategy and state when this will be successful.
19. Describe the importance of monopoly power.

PART C — (3 × 10 = 30 marks)

Answer any THREE questions.

20. Explain the various objectives of a modern firm.
21. Explain the approach to indifference curve analysis.

22. Discuss the various assumptions of production function.
23. What are the factors to be considered at the time of determination of price?
24. Illustrate how a firm under monopolistic competition determines the price of the product.