



PG – 680

I Semester M.B.A. (Day) Degree Examination, February/March 2013
(2007-08 Scheme)

MANAGEMENT

Paper – 1.4 : Managerial Economics

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer any six of the following. Each question carries two marks : (2×6=12)

1. a) Define Equi-Marginalism.
- b) Define law of demand.
- c) What is production function ?
- d) Define cartel.
- e) Define perfect competition.
- f) What is accounting profit ?
- g) Define monopolist competition.
- h) What is cost based pricing ?

SECTION – B

Answer any three of the following : (3×8=24)

2. Explain the following concepts :
 - a) Opportunity cost
 - b) Time value of money.
3. Explain the different methods of measuring the elasticity of demand.
4. Explain the concept of break even analysis.
5. Define monopoly. Explain its features.
6. Critically examine profit maximization Vs sales maximisation.

P.T.O.



SECTION - C

Answer **any two** of the following : (2×12=24)

7. What is demand forecasting ? Explain the different methods of measuring the demand forecasting.
8. Define isoquants. What are the different types of isoquants ?
9. Explain the different economies of scale.

SECTION - D

10. Read the following case and answer the questions given at the end. (1×15=15)

X Ltd., an FMCG company, has been spending huge amounts on advertisements. It has collected the following data on advertisement expenditure and demand for its product for the last 5 years :

| Year | Advt. Expenditure Rs. In Crores | Demand (Qty.) in lakhs of units |
|------|---------------------------------|---------------------------------|
| 2004 | 10 | 100 |
| 2005 | 15 | 112 |
| 2006 | 20 | 115 |
| 2007 | 25 | 120 |
| 2008 | 30 | 122 |

- a) Estimate the demand for the years 2009 and 2010 when the advertisement expenditure is expected to be Rs. 32 and Rs. 35 crores respectively.
- b) What is your opinion about the estimation you have made ?