

17U151

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Name: .....

Reg. No.....

FIRST SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2017

(CUCBCSS-UG)

CC17U BC1 C01 - MANAGERIAL ECONOMICS

(Complementary Course)

(2017 - Admissions Regular)

Time: Three Hours

Maximum: 80 Marks

**Part A**

Answer *all* questions. Each question carries 1 mark.

I. Choose the correct answer from the following

1. Which costs are recorded in books of account  
(a) Opportunity cost                      (c) Implicit cost  
(b) Social cost                              (d) Explicit cost
2. If the income elasticity of demand is greater than 1, the good is a  
(a) Necessity                                (c) Luxury  
(b) Substitute                                (d) Complementary
3. Product differentiation is an important feature of  
(a) Perfect competition                      (c) Monopolistic competition  
(b) Monopoly                                 (d) Duopoly
4. The author of "Principles of Economics"  
(a) Adam Smith                              (c) Alfred Marshall  
(b) Lionel Robbins                            (d) David Ricardo
5. Which of the following is not a development issue in India:  
(a) Unemployment                          (c) Population Pressure  
(b) Inflation                                  (d) Decreasing trend of foreign capital

II. Fill in the Blanks:

6. Managerial economics bridges the gap between economic theory and .....
7. Experts opinion method is popularly called .....
8. All inputs become ..... in the long run.
9. Under the perfect competition ..... curve is U shaped.
10. Demonetization of currency of higher denomination is to regulate .....

**(10 x 1=10 marks)**

**Part B**

Answer *any eight* questions. Each question carries 2 marks.

11. Define managerial economics
12. What is discounting principle?
13. What is Veblen effect?
14. What is a budget line?

15. What is isoquant?
16. What is diminishing marginal rate of technical substitution?
17. What is opportunity cost?
18. Define inflation
19. What is relative poverty?
20. What is dumping?

**(8 x 2=16 marks)**

### **Part C**

Answer **any six** questions. Each question carries 4 marks.

21. What are the arguments in favour of profit maximization?
22. Distinguish between perfect competition and monopoly.
23. What are the major issues in Indian economy?
24. Explain Cobb-Douglars production function
25. What are the different approaches for forecasting the demand of new product?
26. Explain the law of equi marginal utility.
27. Why demand curve slopes downwards?
28. What are steps in decision making?

**(6 x 4 = 24 marks)**

### **Part D**

Answer **any two** questions. Each question carries 15 marks.

29. What are the basic functions of managerial economist? How does managerial economics help him in achieving his organizational goals?
30. What is perfect competition? How pricing decision are taken under the condition of perfect competition in short-run and long-run?
31. Define the concept of elasticity of demand. State the factors determining elasticity and various methods of measuring elasticity.

**(2 x 15 = 30 marks)**

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