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Name.....

Reg. No.....

**FIRST SEMESTER B.Com./B.B.A. DEGREE EXAMINATION
NOVEMBER 2019**

(CUCBCSS—UG)

B.Com.

BCM 1C 01—MANAGERIAL ECONOMICS

(2014 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part I

Answer all questions.

Each question carries 1 mark.

1. When a firm's average revenue is equal to its average cost, it gets ———.
 - (a) Super profit.
 - (b) Normal profit.
 - (c) Sub-normal profit.
 - (d) None of the above.
2. Direct regulation of business has the potential to yield economic benefits to society when ?
 - (a) Diseconomies of scale exist.
 - (b) Barriers to entry are absent.
 - (c) There are no good substitutes for a product.
 - (d) Many firms serve a given market.
3. Under perfect competition a firm can produce with :
 - (a) An optimum plant.
 - (b) Identical products at low cost.
 - (c) Maximum profit.
 - (d) An optimum output.
4. Out of the four, which is not a macro variable ?
 - (a) General price level.
 - (b) Stagflation.
 - (c) Deflation.
 - (d) Price of product.

Turn over

5. Goods produced on small scale have _____.

- (a) Relatively inelastic supply.
- (b) Highly elastic supply.
- (c) Perfectly elastic supply.
- (d) None of the above.

6. The demand curve has a _____ slope.

- (a) Undefined.
- (b) Zero.
- (c) Negative.
- (d) Positive.

7. As more firms enter an industry _____.

- (a) Accounting profits increase.
- (b) Economic profits decrease.
- (c) Prices rise.
- (d) None of the above.

8. The cost of forgone alternative is _____.

- (a) Total cost.
- (b) Loss.
- (c) Marginal cost.
- (d) Opportunity cost.

9. Price rigidity is an important feature of _____.

- (a) Duopoly.
- (b) Oligopoly.
- (c) Monopoly.
- (d) Monopsony.

10. Where boom ends, _____ starts.

- (a) Depression.
- (b) Recovery.
- (c) Expansion.
- (d) Recession.

(10 × 1 = 10 marks)

Part II (Short Answer Questions)

Answer any eight questions.

Each question carries 2 marks.

11. Define micro economics.
12. Write down four features of managerial economics.
13. What is demand curve ?
14. What is demand forecasting ?
15. What are assumptions of Isoquant ?
16. What is opportunity cost ?
17. Define business cycle.
18. What is oligopoly ?
19. What is Delphi technique ?
20. What is dumping ?

(8 × 2 = 16 marks)

Part III (Short Essays)

Answer any six questions.

Each question carries 4 marks.

21. Discuss the phases of business cycle.
22. The law of demand does not apply to some cases, discuss such exceptions.
23. Briefly discuss about assumptions of Law of diminishing returns and Laws of Returns to Scale.
24. Briefly discuss about various internal economies of scale.
25. What are the differences between marginal revenue and incremental revenue ?
26. What are the strategies of pricing of new products ?
27. What are the features of monopolistic competition ?
28. Differentiate monopolistic and perfect competition.

(6 × 4 = 24 marks)

Turn over

Part IV (Long Essays)

*Answer any **two** questions.*

Each question carries 15 marks.

29. Discuss the importance of elasticity concept and various methods of measuring elasticity of demand.
30. What are the reasons for operation of the law of variable proportion? Discuss about Laws of Returns to Scale.
31. Differentiate short run and long run cost. Discuss the cost output relationship in the long run.

(2 × 15 = 30 marks)