

MBAC 1002

M.B.A. DEGREE EXAMINATION, JANUARY 2021.

First Semester

General (Common)

MANAGERIAL ECONOMICS

Time : Three hours

Maximum : 100 marks

SECTION A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Show how the objectives and goals of business firms will differ under different economic systems.
2. Explain the determinants of demand. Show how the changes in the determinants affect the demand curve.
3. Examine the law of diminishing returns and explain the causes for its operation. How does it influence business decision?
4. What are the techniques employed to measure the standards of cost performance in business operations?

5. What is price discrimination? What are the essential conditions for successful practice of price discrimination?
6. What are the methods of national income determinations?
7. Describe the phases of business cycle.
8. Enumerate the need and importance of foreign direct investment in the economy.

SECTION B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. How do you measure elasticity of demand? What is the measure of marginal revenue when elasticity of demand is unity? Illustrate your answer with the help of a diagram.
10. Discuss critically the different methods of forecasting demand.
11. Illustrate the law of variable proportion of production function.
12. Describe the nature and slope of cost curves during the long-run.
13. Explain price rigidity under oligopoly. Illustrate it with the help of kinked demand curve.

14. Briefly explain the national income concepts.
15. Examine the methods of control of business cycle.
16. Examine the impact of new economic reforms on business.

SECTION C — (1 × 20 = 20 marks)

Compulsory

17. Case study

The following figures represent the annual sales of a company.

Year	Sales (Rs. Lakhs)
1989-90	90
1990-91	112
1991-92	156
1992-93	92
1993-94	150

Questions

- (a) Find the trend values for each of the five years by using the method of least squares.
- (b) Estimate the annual sales for the year 1994-95.