



I Semester M.B.A. (Day) Degree Examination, February 2012
(Scheme : 2007-08)

MANAGEMENT

Paper – 1.4 : Managerial Economics

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any six** questions :

(6×2=12)

- What is meant by production function ?
- What are the causes of diminishing return ?
- Define marginal cost.
- What is transfer earnings ?
- Define cartel.
- What is economics of scope ?
- What is dumping ?
- What is welfare triangle ?

SECTION – B

Answer **any three** questions :

(3×8=24)

- How least cost combination is determined using a map of isoquants and isocost ?
- What is meant by production possibility curve ? How can central problem of an economy be explained by it ?
- Suppose the demand function for komal butter in a town is estimated to be :
 $Q_d = 600 - 5P$
Where, Q_d is quantity demanded of butter (in 000 kgs per week) and P stands for price.
 - Estimate at what price, demand would be zero.
 - Calculate quantity demanded at alternative prices : Rs. 25, Rs. 50.
- Distinguish between increase in demand and extension of demand.
- Why is short run average cost curve u-shaped ?

P.T.O.



SECTION - C

Answer **any two** of the following question :

(2×12=24)

7. Describe the main features of oligopoly. Explain the kinked demand hypothesis of oligopoly market.
8. Distinguish between law of return to a variable factor and law of return to scale.
9. Write short notes on :
 - a) Marris's growth model of a firm
 - b) Baumol's model of sales maximization.

SECTION - D

Compulsory

(1×15=15)

10. A company has the following data : Estimate sales for 1986.

Year	Sales
1980	100
1981	107
1982	128
1983	140
1984	181
1985	192