



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.



## 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 ?

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