Subject Code: MB912

MBA I Semester [R09] Regular Examinations, January 2010

MANAGERIAL ECONOMICS

Time: 3 Hours **Max Marks: 60**

Answer any FIVE questions All questions carry EQUAL marks

1) Define managerial economics. Explain the role of managerial Economist?
2) Differentiate between marginalism and equi-marginalism?
3) What is elasticity of demand? How do you measure the price elasticity of demand?
4) Explain Cobb-Douglass production function. What are the economies of scale?
5) What are the determinants of cost? Explain the saucer shaped short-run average cost curves.
6) What are the different types of markets? Explain the "Bain's" limit pricing theory?
7) Discuss the break even analysis with the help of diagrams. Explain its assumptions and limitations.

8) Case study

The ICICI bank is running the business on the hypothesis that it deals only in borrowing money (through public deposits only i.e., fixed deposits, saving bank accounts and current accounts) and in lending money and through car loans. The bank incurs the following costs.

Fixed costs	**Rs. in lakhs**
Salaries of managerial staff	100
Rent of the premises	120
Advertising costs	85
Depreciation	35
Total	340

Variable costs	**Amount in Rs.**
Stationary & printing	60
Wages	55
Power charges	75
Raw material	300
Total	490

The interest revenue of the bank per lakh of Rs. per annum is Rs. 1800. Let us determine (a) the number of loans that the bank has to issue in order to break even and (b) if the bank wants to earn a profit of Rs. 100 lakhs, how many loans will it have to issue.

Subject Code: MA112

MBA I Semester [R07] Supplementary Examinations, January 2010

MANAGERIAL ECONOMICS

Time: 3 Hours **Max Marks: 60**

Answer any FIVE questions All questions carry EQUAL marks

1) Define managerial economics. Explain the nature and scope of managerial Economics.

2) Compare and contrast between the managerial theories of Williamson and Marris?

3) Explain the role of cost concepts in managerial decisions.

4) Define demand forecasting. What are the techniques of demand forecasting?

5) What is marginal rate of technical substitution? Explain the importance of Cobb-Douglas production function.

6) Explain cost-output relationship in both the short-run and long-run?

7) What is Oligopoly? How are price and out-put determined under Oligopoly market.

8) ABC Company has supplied you the following information.

No of units sold 20, 000 units
Fixed cost Rs, 2, 40,000/
Variable cost per unit Rs 15/-
Selling price per unit Rs 30/-

Find out:
(i) BEP in units,
(ii) Margin of safety,
(iii) Sales to get a profit of Rs, 2,00,000/-and
(iv)Verify the results in all the above cases.

Subject Code: MA102

MBA I Semester [R05] Supplementary Examinations, January 2010

MANAGERIAL ECONOMICS

Time: 3 Hours **Max Marks: 60**

Answer any FIVE questions All questions carry EQUAL marks

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1) Explain how managerial economics is linked with other areas in economics.

2) Examine critically the profit maximization as the objective of business firms. What are the alternative objectives of business firms?

3) What is opportunity cost? Give some examples of opportunity cost? How is opportunity cost relevant for managerial decisions?

4) What is demand forecasting? Explain different techniques of demand forecasting.

5) Explain the production function with reference to law of variable proportions and substitutability of factors.

6) Discuss the relationship between marginal cost, average cost and total cost assuming a short-run non-linear cost function.

7) Define perfect competition. Explain the equilibrium of firm and industry in both the short run and long run under perfect competition.

8) What are the different theories of profit?