



Code: 14E00202

MBA II Semester Supplementary Examinations June 2019

**MANAGERIAL ECONOMICS**

(For students admitted in 2014 (LC), 2015 & 2016 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

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**SECTION – A**

(Answer the following: 05 X 10 = 50 Marks)

- 1 'Managerial economics is the discipline which deals with the application of economic theory to business management'. Explain.

**OR**

- 2 What are the objectives of the firm? Explain the managerial theories of firm.

- 3 Discuss the need and barometric methods of demand forecasting.

**OR**

- 4 What is supply analysis? Discuss the various types of elasticity of supply.

- 5 Explain the Cobb-Douglas production function with suitable examples.

**OR**

- 6 How a firm optimizes the employment of the variable factor of production in the short-run? Explain.

- 7 What is product line pricing? Explain the multiple products pricing strategy.

**OR**

- 8 Explain the price-output determination in an industry under perfect competition.

- 9 Define inflation. State the features and causes of inflation.

**OR**

- 10 Describe the causes and major stabilization policies to counter business cycles on business organizations.

**SECTION – B**

(Compulsory question, 01 X 10 = 10 Marks)

- 11 **Case study:**

A firm purchases a machinery to produce a new product. The cost data are as follows:

(i) Direct material – Rs.16 per unit.

(ii) Direct labour – Rs.2.40 per unit.

(iii) Overheads – Rs.50000 p.a.

(iv) Administration overheads – Rs.30000 p.a.

(v) Selling and distribution overheads – Rs.30000 p.a.

(vi) Estimated sales – 50000 unit's p.a.

You are required to find:

- (a) BEP sales.

- (b) The selling price, if profit is 25% of sales.

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