

(DBUS03)

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M.B.A. DEGREE EXAMINATION, MAY – 2018**First Year****Managerial Economics****Time : 3 Hours****Maximum Marks : 70****SECTION - A****Answer any three questions****(3 × 5 = 15)**

- Q1)** a) Wealth Maximisation
b) Demand forecasting
c) Scope of production function
d) Profit measurement
e) Production function
f) Oligopoly

SECTION - B**Answer any three questions****(3 × 15 = 45)**

- Q2)** Describe the various objectives of firm.
- Q3)** Briefly write about methods of forecasting for new products.
- Q4)** Describe briefly about various economics of large scale production.
- Q5)** Explain different types of elasticity of demand.
- Q6)** Discuss the difficulties involved in the measurement of profit.
- Q7)** Write a note on role and importance of public sector.

SECTION - C***Case Study (Compulsory)*****(10 Marks)**

Q8) A firm has purchased a plant to manufacture a new product cost data for the plant is given below :

Estimated annual sales	:	24,000 units
Estimated costs		
Material	:	Rs. 4.00 per unit
Direct Labour	:	Rs. 0.60 per unit
Over head	:	Rs. 24,000 per year
Administrative expenses	:	Rs. 28,000 per year
Selling cost of sales	:	Rs. 1,590 per year

Questions :

- Calculate the selling price if profit per unit is Rs. 1.02, and
- Find out the Break – even point in terms of output.



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