Code: 14E00202

MBA II Semester Regular & Supplementary Examinations May 2016
MANAGERIAL ECONOMICS
(For students admitted in 2014 and 2015 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   Define managerial economics. How it is useful for taking managerial decisions? Illustrate.
OR
2   Describe the decision-making process in a multi-goal, multi-product firm under uncertainty, operating in an imperfect market.

3   Review the recent developments in demand theory which provide a pragmatic approach to the analysis of demand decision variable.
OR
4   What is demand forecasting? Explain barometric methods of demand forecasting.

5   Explain and illustrate isoquants and isocost curves.
OR
6   What kind of relationship would you postulate between short-run and long-run average cost curves when these are not U-shaped as suggested by the modern theories?

7   What is price discrimination? How is the optimal quantity to be supplied in different markets determined? Elucidate you answer with the help of suitable diagrams.
OR
8   What is oligopoly? Discuss the different bases for classifying an oligopoly situation.

9   Discuss the various phases of business cycle.
OR
10   Define inflation. State its features and specific causes of inflation.

SECTION – B
(Compulsory Question)   01 X 10 = 10 Marks

11   **Case study:**
From the following information regarding the budget for the year 2008 based on 100% capacity of XYZ Ltd., has been made available from cost records.

Particulars	Budget expenses	Shut-down expenses
Material	240000	--
Labour	210000	--
Factory expenses	180000	100000
Administration expenses	40000	20000
Selling and distribution expenses	60700	40700
Sales	850000	--

Your are required to calculate the value of output at which the business will break-even and also find out the percentage of BEP sales.