

Code No. 5032

**FACULTY OF MANAGEMENT****M.B.A. I-Semester Examination, January 2014****Course No. – 1.2****Subject : Managerial Economics****Time : 3 Hours****Max. Marks: 80****Note : Answer All questions.****PART – A (10 x 2 = 20 Marks)**

- 1 Write short notes on the following in about 75 words each and at one place only.
- (a) Incremental principle
  - (b) Individual demand
  - (c) Long-run production function
  - (d) Discounting principle
  - (e) Stagflation
  - (f) Monopolistic competition
  - (g) Phillips curve
  - (h) Income elasticity
  - (i) Transfer pricing
  - (j) Consumer equilibrium

**PART – B (5 x 12 = 60 Marks)**

Answer all the questions using the internal choice.

- 2 (a) Discuss the nature and scope of managerial economics.  
**OR**  
(b) Explain the econometric models and economic optimization.
- 3 (a) State and explain the law of demand. What are its exceptions?  
**OR**  
(b) Define cross elasticity of demand and state its importance.
- 4 (a) Explain the nature and managerial uses of production function.  
**OR**  
(b) Discuss the various economies of scale.
- 5 (a) What is monopoly? How price and output are determined under monopoly?  
**OR**  
(b) "Under perfect competition a firm is a price taker and not a price maker". Explain.
- 6 (a) Explain the methods of measurement of National Income.  
**OR**  
(b) What do you mean by Trade cycles and state the causes and policies to counter trade cycles?

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