

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2011 – 2012)

SUBJECT CODE: 11CM/PE/ME14

M.Com. DEGREE EXAMINATION NOVEMBER 2011
COMMERCE
FIRST SEMESTER

COURSE : ELECTIVE
PAPER : MANAGERIAL ECONOMICS
TIME : 3 HOURS **MAX. MARKS: 100**

SECTION – A

I. ANSWER ANY FIVE QUESTIONS. EACH ANSWER SHOULD NOT EXCEED 500 WORDS: (5 x 8 = 40)

1. What is opportunity cost? Explain its significance in the allocation of resources.
2. Define advertising elasticity of demand. What are the factors that effect this elasticity?
3. Account for economics of scale.
4. Distinguish between law of variable proportions and law of returns to scale. With suitable illustration explain the law of variable proportions.
5. Write a note on cost benefit analysis.
6. Explain cost plus pricing.
7. Discuss skimming and penetration pricing.
8. Are accounting profits same as economic profits?

SECTION – B

II. ANSWER ANY THREE QUESTIONS. EACH ANSWER SHOULD NOT EXCEED 1200 WORDS: (3 x 20 = 60)

9. Discuss critically different methods of demand forecasting.
10. Explain the cost output relationship in the short run and in the long run.
11. Explain the pricing policies at various stages of product life cycle.
12. Critically examine break even analysis.
13. What is managerial economics? Discuss the role and responsibilities of a managerial economist.
