

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted from the academic year 2004 – 2005 and thereafter)

SUBJECT CODE : **EC/MO/MG44**

B. A. DEGREE EXAMINATION, APRIL 2007
BRANCH IV - ECONOMICS
FOURTH SEMESTER

COURSE : **MAJOR – OPTIONAL**
PAPER : **MANAGERIAL ECONOMICS**
TIME : **3 HOURS.** MAX. MARKS : 100

SECTION – A

ANSWER ALL QUESTIONS. EACH ANSWER NOT TO EXCEED 50 WORDS:
(10 X 3 = 30)

1. Define managerial economics
2. What do you mean by decision making?
3. Distinguish between industry demand and company demand.
4. Differentiate between sunk cost and incremental cost.
5. What is demand forecasting?
6. What is the difference between laws of returns and returns to scale.
7. What is penetration pricing?
8. What is a product line pricing?
9. What is profit?
10. What do you mean by profit forecasting?

SECTION – B

ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 300 WORDS.
(5 x 6 = 30)

11. Explain the role of a managerial economist.
12. Describe the criteria of a good forecasting method.
13. Analyze the cost-output relationship in short run.
14. Examine the various approaches to cost reduction.
15. Elucidate the methods to determine advertisement budget.
16. Explain any two important project appraisal methods.
17. Discuss the various aspects of profit management.

SECTION – C

ANSWER ANY TWO QUESTIONS. EACH ANSWER NOT TO EXCEED 1200 WORDS.

(2 x 20 = 40)

18. Explain the various methods of demand forecasting.
19. Critically examine the tools of cost control.
20. Explain the break even analysis and its limitation.
21. Explain the pricing policies at various stages of product life cycle.
