

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2009-2010)

SUBJECT CODE : CM/PC/ME14

M.Com. DEGREE EXAMINATION NOVEMBER 2010
COMMERCE
FIRST SEMESTER

COURSE : CORE
PAPER : MANAGERIAL ECONOMICS
TIME : 3 HOURS

MAX. MARKS: 100

SECTION – A

ANSWER ANY FIVE QUESTIONS: (5 x 8 = 40)

1. Define Managerial Economics and discuss its scope.
2. “Economies of scale may be either external or internal; they may be technical, managerial, financial or risk-bearing.” Elucidate.
3. What kind of pricing method is adopted over the life cycle of the product?
4. How does managerial economics differ from economics?
5. Explain the laws of returns to scales in production. Also state the causes for increasing returns to scale.
6. Give an account of the various theories of profit.
7. Analyse the relationship between Average fixed cost, Average variable cost and Average total cost.
8. Explain briefly any four methods of demand forecasting.

SECTION – B

ANSWER ANY THREE QUESTIONS: (3 x 20 = 60)

9. Explain why the average cost curve is U-shaped. The long run average cost curve is always an envelope of short run average cost curves. Discuss.
10. Explain break-even analysis on the basis of its concept, use, drawbacks and advantages.
11. Write notes on the following:
 - a) Discounting principle
 - b) The Equi-marginal principle
 - c) Managerial economist
 - d) Demand curve and Demand schedule
12. Analyse the determinants of demand with their relationships.
13. Define production function. Explain and illustrate iso-quants and iso-cost curves.

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