

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2008-09)

SUBJECT CODE : CM/PC/ME24

M.Com. DEGREE EXAMINATION APRIL 2009
COMMERCE
SECOND SEMESTER

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

SECTION – A

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

1. State and explain the law of demand; what are its exceptions?
2. Discuss the various methods available for determining advertising outlay.
3. Discuss briefly any four methods of forecasting demand?
4. Explain the nature and functions of profit.
5. Write short notes on (i) Opportunity cost
(ii) Discounting principle.
6. Distinguish between autonomous demand and derived demand with examples.
7. Describe product line pricing.
8. Discuss the various economies of scale. Do they result in monopolies.

SECTION – B

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

9. “Managerial economics bridges the gap between economic theory and business practices”. Discuss.
10. Define a production function. Explain and illustrate iso-quant and Iso-cost curves.
11. Write short notes on the following:
 - a) Incremental cost
 - b) Cross-elasticity of demand
 - c) Marginal cost
 - d) Cost-plus pricing.

12. Why is demand analysis important for successful production planning and capital expansion? Discuss.
13. Discuss the traditional and modern techniques of capital investment appraisal bringing out their relative merits and demerits.

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