

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 2008**  
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. Explain how Managerial Economics is related to Economics, Statistics and Accounting.
2. What is meant by Durable Consumer Goods and Capital Goods? Explain the important consideration in forecasting its demand.
3. Discuss the various economies of scale. Do they result in monopolies?
4. Distinguish between i) Fixed cost and Variable cost.  
ii) Marginal cost pricing and differential pricing.
5. Explain the cost- output relationship in the short-run.
6. Write short notes on i) iso-cost lines ii) cost of capital.
7. Explain the concept of Break-even point and point out its assumptions and limitations
8. Explain any four methods of budgeting in advertising.

**SECTION – B**

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

9. “ Managerial economics is economics applied in decision-making”. Explain.
10. Explain the concept of iso-quants. What are their assumptions and properties?
11. Critically evaluate the various methods of appraising project profitability.
12. Examine the concepts of price elasticity, income elasticity and cross elasticity of demand and discuss their usefulness to business unit.
13. Discuss any five methods of forecasting demand.

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