

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI 600 086

B.A DEGREE: BRANCH IV-ECONOMICS

END SEMESTER EXAMINATION- APRIL, 2019

MANAGERIAL ECONOMICS

CODE: 15EC/UI/MG23

TIME: 3 HRS

MAX MARKS: 100

SECTION – A

(10X2=20)

Answer any TEN questions. Each answer not to exceed 50 words.

1. What is managerial economics?
2. State any four important role of a manager.
3. Define demand forecasting.
4. Distinguish between fixed and variable costs with suitable examples.
5. What is margin of safety?
6. Bring out the difference between profit maximization and cost minimization.
7. What is meant by dual problem?
8. What is peak load pricing?
9. What is profit planning?
10. State the objectives of pricing.
11. Why is demand forecasting necessary for a new product
12. Define cost of capital.

SECTION –B

(5x8=40)

Answer any FIVE questions. Each answer not to exceed 400 each.

13. Explain demand distinctions.
14. Discuss the nature and scope of managerial economics.
15. Discuss the cost output relationships in the short run.
16. Distinguish between cost control and cost reduction.
17. Explain the relationship between AC, AVC, AFC and MC.
18. How is a dual problem solved?
19. What is capital rationing? Discuss the need for capital rationing.

PTO

SECTION-C

(2X20=40)

Answer any TWO questions. Each answer not to exceed 1000 words.

20. Define demand forecasting. Explain the different techniques of demand forecasting.
21. Discuss in detail the pricing strategies adopted over the life cycle of a product with suitable example.
22. How is an investment evaluated? Discuss the different methods of project evaluation.
23. What is break- even point? Explain the methods of calculating break- even point and highlight the importance of break-even point in the decision making of a company.