

Code: 14E00202

MBA II Semester Supplementary Examinations December/January 2016/2017

MANAGERIAL ECONOMICS

(For students admitted in 2014 & 2015 only)

Time: 3 hours

Max. Marks: 60

PART – A

(Answer the following: (05 X 10 = 50 Marks))

- 1 Discuss briefly the contributions made by different disciplines to managerial economics.
OR
- 2 Distinguish between:
(a) Managerialism & marginalism.
(b) Managerialism and behaviourism.
- 3 Define the concepts of elasticity and also classify different types of demand elasticity.
OR
- 4 What is the need of demand forecasting? Describe the complex statistical techniques of demand forecasting.
- 5 What is product function? Discuss the Cobb-Douglas production function.
OR
- 6 Discuss the main determinants of a cost function and also state the relationship between production & cost in the short-run.
- 7 Discuss the price-output determination in an industry under perfect competition.
OR
- 8 Would you prefer a low penetration price to a high initial price for a new product? Discuss.
- 9 What is inflation? Discuss the types and effects of inflation.
OR
- 10 Explain the following:
(a) Impact of business cycles on business organization.
(b) III-effects of business cycles.

SECTION – B

(Compulsory Question)

01 X 10 = 10 Marks

11 Case study:

The retailer's fixed costs are Rs. 50000 and his variable costs are 12% of net sales. Out of the gross margins, he meets his fixed and variable costs.

Products	Profit margin on selling price	Percentage of rupee sales
Pens	40%	30%
Pencils	30%	10%
White papers	35%	40%
Carbon sheets	50%	20%

- (i) Calculate retailer's break-even point.
- (ii) How much profit will the retailer makes on a sales value of Rs. 100000.
