BBABMC 155/BBMBMC 155

II Semester B.B.A./B.B.M. Degree Examination, April/May 2019

(Credit Based Semester Scheme)

(2012 Scheme)

Managerial Economics

Time : 3 Hours]　　　　　　　　　　　　　　　　　　　　　[Max. Marks : 80

SECTION – A

1. Answer **any ten** in **2-3** sentences each, **1** mark each :　　　**(10 × 1 = 10)**

   (a)　What is production function?

   (b)　Why does a firm expand its output as long as MR exceeds MC?

   (c)　What do you mean by selling cost?

   (d)　Define Market.

   (e)　What is opportunity cost?

   (f)　Distinguish between explicit cost & implicit cost.

   (g)　Give the meaning of Economics of scale.

   (h)　What is price Discrimination?

   (i)　What is supernormal profit?

   (j)　What do you mean by Decision making and forward planning?

   (k)　State the law of Diminishing Returns.

   (l)　What do you mean by Price Rigidity?

SECTION – B

Answer **any five** in not more than **2** pages, **5** marks each :　　　**(5 × 5 = 25)**

2. Explain the meaning and importance of capital budgeting.

3. Distinguish between fixed cost and variable cost.

4. What are internal and external economics of scale?

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5. Describe Baumol's sales maximization model.

6. Explain the Relationship between AR & MR under perfect competition and monopoly.

7. Bring out the features of monopolistic competition.

8. Explain the objectives of short term and long term demand forecasting.

SECTION – C

Answer should not exceed **6** pages, **15** marks each :   **(3 × 15 = 45)**

9. (a) Explain the cost output relationship in the short run.

Or

(b) Describe the nature and scope of Managerial Economics.

10. (a) Explain the equilibrium of a firm and industry in the short run under perfect competition.

Or

(b) State and explain the law of variable proportions.

11. (a) What is monopoly? Explain price – output determination under monopoly.

Or

(b) What is Demand Forecasting? Explain the different methods of demand forecasting.

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