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BBMBMC 155

Credit Based II Semester B.B.M. Examination, April/May 2014
(New Scheme 2012-13)
ECONOMICS
Managerial Economics

Time : 3 Hours

Max. Marks : 80

Instructions : 1) A single answer booklet containing 40 pages will be provided. **No additional sheets will be issued.**

2) Follow the instructions **strictly**.

SECTION – A

Answer **any ten** in 2-3 sentences **each**.

(1×10=10)

1. a) What is super normal profit ?
- b) Why the LAC curve called envelop curve ?
- c) Define monopsony.
- d) Distinguish between explicit and implicit cost.
- e) Give the meaning of the term equilibrium.
- f) What is Delphi method ?
- g) Define market.
- h) What is the common name for AR ?
- i) Why the prices tend to be rigid under oligopoly ?
- j) State any two criteria of a good demand forecasting technique.
- k) What do you mean by shut down point ?
- l) What is opportunity cost ?

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SECTION – B

Answer **any five** in **not more than 2 pages each**.

(5×5=25)

2. Explain the meaning and importance of capital budgeting.
3. Classify monopoly.
4. Explain the objectives of short term and long term demand forecasting.

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5. Describe sales maximisation as an alternative to profit maximisation principle.
6. Explain the different types of internal economics of scale.
7. Equality between MC and MR explain the equilibrium of the firm. Explain.
8. Distinguish between perfect competition and monopoly.

SECTION – C

Answer should **not** exceed **6** pages **each**.

(3×15=45)

9. Describe the nature and scope of managerial economics.

OR

Explain the cost output relationship in the short run with suitable examples and diagrams.

10. What is monopolistic competition ? How does a firm attain equilibrium under monopolistic competition ?

OR

Explain the law of variable proportions.

11. Explain the equilibrium of a firm and industry in the short run and long run under conditions of perfect competition.

OR

Define demand forecasting. Explain the different methods of demand forecasting.