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**BBMBMC 155**

**Credit Based II Semester B.B.M. Degree Examination,  
May/June 2016  
(2012 Scheme)  
Economics  
MANAGERIAL ECONOMICS**

Time : 3 Hours

Max. Marks : 80

**SECTION – A**

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

- a) Give an example of personal price discrimination.
- b) What do you mean by Price Rigidity ?
- c) What is meant by Law of Increasing Returns ?
- d) What is opportunity cost ?
- e) Who developed Sales Maximisation Model.
- f) What do you mean by Trend Projection Method.
- g) Give the meaning of the Term Equilibrium.
- h) What is diseconomies of scale.
- i) Why does a firm expand its output as long as MR Exceeds MC.
- j) What is Non- Price Competition ?
- k) Define Monopsony.
- l) What is shut down point ?

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## SECTION – B

Answer **any five** questions in **not more than two** pages.

(5×5 = 25)

2. Explain the purpose of short term and long term demand forecasting.
3. Classify Monopoly.
4. Draw (LAC) long run average cost curve and explain its salient features.
5. Explain the meaning and importance of capital budgeting.
6. Distinguish between fixed cost and variable cost.
7. What are internal and external economies of scale ?
8. Explain the relationship between AR and MR under perfect competition and monopoly.

## SECTION – C

(15×3= 45)

9. Define monopoly. Explain price-output determination under Monopoly Market.

OR

Explain the nature and scope of managerial economics.

10. Explain the Cost-output relationship in the short run.

OR

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

11. Explain the law of variable proportions.

OR

What is monopolistic competition. Explain Price-Output determination under monopolistic competition.

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