

Roll No.

12002

**MBA 2 Year 1st Semester (CBCS)
Examination – December, 2018**

MANAGERIAL ECONOMICS

Paper : 16IMG21C2

Time : Three Hours]

[Maximum Marks : 80

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard, will be entertained after examination.

Note : Section – A (Question No. 1) is *compulsory*. Attempt *one* question from each Unit in Section – B. All questions carry equal marks.

SECTION – A

1. (a) What is cross elasticity of demand ?
- (b) What is transfer pricing ?
- (c) Distinguish between Demand curve and demand schedule.
- (d) Distinguish between Implicit and Explicit costs.
- (e) Distinguish between Price elasticity and income elasticity of demand.

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- (f) What is penetration pricing ?
- (g) What is price skimming ?
- (h) Distinguish between Business risk and financial risk.

SECTION – B

UNIT – I

- 2. "Managerial Economics bridges the gap between the abstract theory and business practice. It uses tools of economic analysis in classifying problems, in organizing and evaluating information and in comparing alternative courses of action". Outline the nature and scope of managerial economics in the light of the statement.
- 3. Define price elasticity of demand and distinguish its various types. Discuss the role of price elasticity of demand in managerial decisions.

UNIT – II

- 4. What factors will determine the market power of a monopolist ? How does a firm take its pricing and output decisions under monopolistic competition ?
- 5. What are engineering cost curves ? How will you derive short run engineering total cost curve, average cost curve & marginal cost curves ? What is their significance for a production manager ?

UNIT – III

- 6. Explain the concept of pricing in multi-plant firms.

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- 7. Briefly explain the following :
 - (a) Discriminatory Monopoly
 - (b) Special pricing techniques
 - (c) price- output decision in dumping analysis

UNIT – IV

- 8. Explain the importance of national income analysis to business people.
- 9. Give short note on the following :
 - (a) risk analysis
 - (b) inflation analysis
 - (c) tariff analysis

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