Reg.No. \_\_\_\_\_\_\_\_\_\_\_\_



**UNIVERSITY**

(Karunya Institute of Technology & Sciences)

(Declared as Deemed-to-be University under Sec.3 of the UGC Act, 1956)

**End Semester Examination – April/May – 2017**

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| **Code :** | **16BB2004** | **Duration :** | **3hrs** |
| **Sub. Name :** | **MANAGERIAL ECONOMICS** | **Max. marks :** | **100** |

**ANSWER ALL QUESTIONS (5 x 20 = 100 Marks)**

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| Q. No. | Sub Div. | Questions | Course  Outcome | Marks |
| 1. | a. | What is a Firm? What are its objectives? | CO1 | 4 |
| b. | Explain Profit Maximisation as an objective of a Business Firm. | CO1 | 4 |
| c. | Explain the Social Resonsibility of a business firm. | CO1 | 4 |
| d. | What is Growth Maximisation? | CO1 | 4 |
| e. | What is Sales Maximisation? | CO1 | 4 |
| (OR) | | | | |
| 2. | a. | Explain the law of demand with a demand curve. | CO1 | 3 |
| b. | What is movement along the demand curve? | CO1 | 4 |
| c. | Give examples for Substitute goods and Complementary goods. | CO1 | 2 |
| d. | What is Shift in Demand Curve? | CO1 | 4 |
| e. | Discuss in detail the factors affecting demand for a commodity with examples. | CO1 | 7 |
| 3. | a. | Explain Cross elasticity of demand for substitute products. | CO1 | 3 |
|  | b. | What is Advertisement Elasticity of Demand ? | CO1 | 4 |
|  | c. | Explain the concept of Price Elasticity of Demand with graphs. | CO1 | 5 |
|  | d. | Explain the concept of Income Elasticity of Demand. | CO1 | 4 |
|  | e. | Discuss the factors determining the elasticity demand with examples. | CO1 | 4 |
| (OR) | | | | |
| 4. | a. | What are the Factors of Production? | CO2 | 2 |
|  | b. | Explain Production Function,Total Product and Average Product. | CO2 | 4 |
|  | c. | Explain the Law of Production in the Short –Run. | CO2 | 5 |
|  | d. | Explain the Law of Production in the Long-Run. | CO2 | 5 |
|  | e. | Distinguish between Returns to a Variable factor and Returns to Scale. | CO2 | 4 |
| 5. | a. | What is Total Cost? | CO2 | 2 |
|  | b. | What is Average Cost? | CO2 | 2 |
|  | c. | What is AFC and AVC? | CO2 | 5 |
|  | d. | AC is the sum of AFC and AVC. Explain with the help of a schedule. | CO2 | 5 |
|  | e. | Draw TFC and AFC curve in a single graph and explain. | CO2 | 6 |
| (OR) | | | | |
| 6. | a. | What is Total Revenue? | CO2 | 4 |
|  | b. | What is Average Revenue? | CO2 | 4 |
|  | c. | What is Marginal Revenue ? | CO2 | 4 |
|  | d. | What is the relationship between TR,Price and Quantity Sold? | CO2 | 4 |
|  | e. | Prove with an Example that AR is equal to price. | CO2 | 4 |
| 7. | a. | What is BEP? Write the formula for calculating BEP. | CO2 | 4 |
|  | b. | Write a short note on i) P/V Ratio ii) Contribution margin analysis | CO2 | 4 |
|  | c. | Write down the uses of Break Even Analysis. | CO2 | 4 |
|  | d. | Write short notes on Margin of Safety. | CO2 | 4 |
|  | e. | Calculate BEP from the following information  Output: 3000 units  Selling price per unit : Rs30  Variable Cost per unit : Rs 20  Total Fixed Cost : Rs 20,000 | CO2 | 4 |
| (OR) | | | | |
| 8. | a. | What is Perfect Competition ? What are its features? | CO3 | 4 |
|  | b. | What is Monopolistic Competition? Give Examples. | CO3 | 4 |
|  | c. | What is Market Strucutre? What are its types? | CO3 | 4 |
|  | d. | Explain how price is determined in a Perfectly Competitive Market. | CO3 | 4 |
|  | e. | Explain Kinked demand curve model of Oligopoly. | CO3 | 4 |
|  | | **Compulsory:** | CO3 | 4 |
| 9. | a. | Explain the responsibilities of a business firm towards its customers. | CO1 | 4 |
|  | b. | Explain the cross elasticity of demand for complementary products. | CO1 | 4 |
|  | c. | Explain Normal Profit and Super Normal Profit. | CO2 | 4 |
|  | d. | Explain how price is determined in a Monopoly Market. | CO3 | 4 |
|  | e. | Explain Fiscal Policy. | CO3 | 4 |

ALL THE BEST