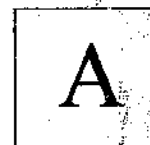# MBA(FT)/MBA(IB)/MBA(TT)/MBA(PT) DEGREE I SEMESTER EXAMINATION NOVEMBER 2015

SMS 2103/SMI 2103/SMT 2103/SMP 2103 MANAGERIAL ECONOMICS
(Regular and Supplementary)

Time: 3 Hours   Maximum Marks: 50

PART A
(Answer *ALL* questions)

(5 × 2 = 10)

1. Describe the process of decision making.

2. Explain the difference between balance of trade and balance of payments.

3. Explain the basis of indifference curve analysis.

4. Explain with examples opportunity cost.

5. Explain the difference between monopoly and monopolistic competition.

PART B
(Answer *ANY FIVE* questions)

(5 × 4 = 20)

6. What do you mean by production function? Show the best possible production situation using isoquants.

7. Explain how fiscal policy can be used to attain full employment.

8. What contribution a managerial economist can make to a corporate business unit in India?

9. India is facing serious balance of payment's disequilibria. What measures will you suggest to solve this problem?

10. Explain the price-output policy of a monopolist.

11. Explain the pricing strategies that a firm can follow in launching a new product.

12. Write short notes on the following:
    (i)   Equimarginal concept.
    (ii) Consumer's surplus.
    (iii) Monetary Policy.

PART C
(Answer *ANY TWO* questions)

(2 × 10 = 20)

13. Explain the uses of demand forecasting. Also explain the Delphi method of forecasting demand.

14. From the following data calculate fixed cost, total profit and break-even point.

    Margin of safety – Rs.60,000/-
    Margin of safety represents 40% of sales.
    PV Ratio is 50 percent.

15. Explain the different methods of computing national income. Also explain the problems connected with computation of national income.

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