



MBA(TT)/12.13.1100

**MBA (TRAVEL AND TOURISM) DEGREE I SEMESTER EXAMINATION
DECEMBER 2013**

**SMT 2103 MANAGERIAL ECONOMICS
(2012 Admission onwards)**

Time: 3 Hours

Maximum Marks: 50

**PART A
(Answer ALL questions)**

(5 × 2 = 10)

- I. What is selling cost?
- II. What is balance of payments?
- III. What is cross elasticity of demand?
- IV. Define game theory
- V. Define ISO cost line

**PART B
(Answer ANY FIVE questions)**

(5 × 4 = 20)

- VI. Explain how a manager chooses the right demand forecasting technique.
- VII. Differentiate between point and arc elasticity of demand.
- VIII. Explain the problems in the computation of national income.
- IX. Explain law of variable proportion.
- X. What are the conditions necessary for the existence of a perfectly competitive market?
- XI. What are the consequences of inflation?
- XII. Explain the methods to correct the balance of payments disequilibrium.

**PART C
(Answer ANY TWO questions)**

(2 × 10 = 20)

- XIII. Explain break even analysis. What are its merits and demerits?
- XIV. Explain the application of elasticity of demand in managerial decision making.
- XV. What do you mean by business cycles and contra cyclical policies? Explain.