

**M.B.A (PT) DEGREE I SEMESTER EXAMINATION DECEMBER 2012****SMP 2103 MANAGERIAL ECONOMICS**  
(2012 Admissions)

Time: 3 Hours

Maximum Marks : 50

**PART A**  
(Answer *ALL* questions)

(5 x 2 = 10)

1. What is discounting principle and in what context is it used?
2. What is an isoquant?
3. What is inflation?
4. What is kinked demand curve? How the kink occurs?
5. What is monopolistic competition?

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

(5 x 4 = 20)

6. Explain economies and diseconomies of scale.
7. What do you mean by discriminating monopoly? What are the conditions for price discrimination?
8. Analysis consumer's equilibrium using indifference curves.
9. What do you mean by fiscal policy? How can it be used for attaining full employment?
10. Define National Income. How is it computed? What are the problems faced in computing National Income?
11. What do you mean by balance of payment's disequilibrium? How can it be corrected?
12. Explain the five fundamental concepts that aid decision making.

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

(2 x 10 = 20)

13. From the information given below regarding sales of TV during the last five years, estimate the sales for 2012 using least square regression method.

Year	Sales of TV in lakh units
2007	50
2008	48
2009	52
2010	55
2011	58

14. (a) Draw a break-even chart and explain its managerial uses.  
(b) A company has developed a new product. The fixed cost is estimated to be ₹100000/- (One lakh). The PV ratio is 25 percent. Calculate the break-even point. If the company wants to earn a profit of ₹25000/-, what should be the sales?
15. Explain the instruments of monetary policy. How monetary policy can be used to control inflation?