

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**BBA DEGREE EXAMINATION MAY 2025
(Second Semester)**

Branch – **BUSINESS ADMINISTRATION**

MANAGERIAL ECONOMICS

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Basic economic tools of managerial economics does not includes _____ (a) Principle of time perspective (b) Equi-marginal principle (c) Incremental principle (d) None of these	K1	CO1
	2	Which of the following is the best definition of managerial economics? Managerial economics is _____ (a) a distinct field of economic theory (b) a field that applies economic theory and the tools of decision science (c) a field that combines economic theory and mathematics (d) none of the above	K2	CO1
2	3	The term _____ is used to denote a measure of the rate and which demand changes in response to the changes in prices. (a) elasticity of demand (b) market equilibrium (c) market demand (d) decision making	K1	CO1
	4	The law of supply states that, all else being equal, an increase in price results in: (a) A decrease in quantity supplied (b) An increase in quantity supplied (c) No change in quantity supplied (d) A decrease in demand	K2	CO1
3	5	_____ describes the relationship between outputs and scale of inputs in the long run when all the inputs are increased in the same proportion. (a) production function (b) law of returns to scale (c) Isoquants (d) Economics of scale	K1	CO1
	6	_____ is the proportion of one factor in a combination of factors is increased, after a point, first the marginal and then the average product of that factor will diminish. (a) Capital budgeting (b) Isocost (c) Law variable proportion (d) returns to scale	K2	CO1
4	7	_____ model of oligopoly was developed by Paul Sweezy, Hall and Hitch. (a) Peak load pricing (b) Kinked Demand Curve (c) cost plus pricing (d) product building	K1	CO1
	8	_____ is the pricing strategy wherein the high price is charged for the goods and services during times when their demand is at peak. (a) Price building (b) Cost plus pricing (c) Skimming pricing (d) Peak Load Pricing	K2	CO1

Cont...

5	9	_____ defines as a state in which the value of money is falling i.e. prices are rising. (a) deflation (b) Inflation (c) macro-economic activity (d) micro economic activity	K1	CO1
	10	_____ is the sum of all incomes earned by all individuals / households during a given year. Certain incomes are received but not earned such as old age pension etc., (a) National income (b) Investment (c) Personal income (d) Consumption	K2	CO1

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Describe the uses of managerial economics.	K3	CO2
		(OR)		
	11.b.	Bring out the role of managerial economist.		
2	12.a.	Analyze the various factors influencing elasticity of demand.	K4	CO3
		(OR)		
	12.b.	Explain the types of supply.		
3	13.a.	State the various assumptions of Break Even Analysis.	K3	CO2
		(OR)		
	13.b.	Describe the characteristics of production function.		
4	14.a.	Explain the features of perfect competition.	K2	CO1
		(OR)		
	14.b.	State the characteristics of market structure.		
5	15.a.	Explain the phases of business cycle.	K4	CO3
		(OR)		
	15.b.	Analyze the effects of deflation.		

SECTION - C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks

(3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Elucidate the features of sustainable business	K4	CO3
2	17	Enumerate the various methods of demand forecasting.	K4	CO3
3	18	Elucidate the production function and Cobb-Douglas production function	K4	CO3
4	19	How is price and output determined under Monopoly? Examine.	K4	CO3
5	20	Categorize the types of inflation.	K4	CO3

Z-Z-Z

END