

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom (CS) DEGREE EXAMINATION MAY 2025
(First Semester)

Branch – **CORPORATE SECRETARYSHIP**

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	What is the primary objective of managerial economics? a) Profit maximization b) Cost minimization c) Welfare maximization d) Growth maximization	K1	CO1
	2	Managerial economics primarily focuses on which type of decisions? a) Macro-level decisions b) Micro-level decisions c) National policy decisions d) Government regulation decisions	K2	CO1
2	3	What is the law of demand? a) As price increases, demand increases b) As price increases, demand decreases c) As price decreases, demand remains constant d) There is no relationship between price and demand	K1	CO2
	4	In demand forecasting, 'Time Series Analysis' involves a) Conducting market experiments b) Using past data to identify patterns c) Interviewing experts d) Using customer feedback to predict future trends	K2	CO2
3	5	What is the Marginal Revenue (MR) for a perfectly competitive firm? a) MR increases with output. b) MR decreases with output. c) MR is equal to price. d) MR is greater than price	K1	CO3
	6	What is the slope of an iso-quant known as? a) Marginal rate of substitution b) Marginal rate of technical substitution c) Marginal cost d) Marginal revenue	K2	CO3
4	7	In the long run, firms in monopolistic competition a) Earn economic profits b) Earn only normal profits c) Earn losses due to competition d) Earn more profits due to product differentiation	K1	CO4
	8	In a competitive market, if firms are earning abnormal profits, new firms will a) Exit the market b) Enter the market, driving prices down c) Decrease output d) Form a cartel to sustain prices	K2	CO4
5	9	Inflation is best defined as a) A rise in the general level of prices over time b) An increase in the supply of money c) An increase in the price of a specific good d) A decrease in the value of money	K1	CO5
	10	Which phase of the business cycle is characterized by falling levels of production, employment, and income? a) Expansion b) Peak c) Recession d) Recovery	K2	CO5

Cont...

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.	Show the scope of managerial economics.	K2	CO1
		(OR)		
	11.b.	Examine the responsibilities of managerial economics in formulating business policies and strategies.		
2	12.a.	Identify the types of demand.	K3	CO2
		(OR)		
	12.b.	Develop the factors influencing demand forecasting.		
3	13.a.	Analyze the types of cost.	K4	CO3
		(OR)		
	13.b.	Examine the economies and dis economies of scale.		
4	14.a.	Contrast the meaning of monopoly and its features.	K4	CO4
		(OR)		
	14.b.	Analyze about price and output determination.		
5	15.a.	Interpret the different methods of measuring national income example GDP, GNP, NNP.	K5	CO5
		(OR)		
	15.b.	Explain the difficulties in calculating national income.		

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	Analyze the role of managerial economist.	K5	CO1
2	17	Examine the criteria of a good forecasting method.	K4	CO2
3	18	Interpret the relationship between AR and MR.	K4	CO3
4	19	Assess about the monopolistic competition.	K5	CO4
5	20	Elaborate how do businesses adjust their strategies during different phases of the business cycle.	K6	CO5

Z-Z-Z

END