

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BBA DEGREE EXAMINATION DECEMBER 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	_____ best defines managerial economics. (a) The study of economic principles that apply to business management decisions (b) The study of consumer behavior in the market (c) The analysis of financial statements (d) The study of global economic trends	K1	CO1
	2	_____ as the study of the aggregate economy studied as a whole. (a) Mathematical economics (b) Econometrics (c) Macroeconomics (d) Microeconomics	K2	CO1
2	3	_____ refers to the amount demanded increases with a fall in price and diminishes with a rise in price. (a) Law of demand (b) demand forecasting (c) elasticity of demand (d) n Equilibrium	K1	CO1
	4	_____ denotes the capacity of a commodity to satisfy human what. Goods and services have power to satisfy wants. (a) Market demand (b) utility (c) return to scale (d) Capital budgeting	K2	CO1
3	5	_____ is the organized activity of transforming resources into finished products in the form of goods and services. (a) Profit (b) price discrimination (c) profit policy (d) production	K1	CO1
	6	_____ refers to returns to scale become constant as the increase in total output is ion exact proportion to the increase in inputs. (a) Equilibrium price (b) Constant return to scale (c)short run cost relationship (d) production function	K2	CO1
4	7	_____ is a market structure in which all firms in an industry are price – takers and in which there is freedom of entry into and exit from , the industry. (a) Monopolistic competition (b) Oligopolistic competition (c) perfect competition (d) imperfect competition.	K1	CO1
	8	involves adding a markup to the cost of goods and services to arrive at a selling price. (a) Cost plus pricing (b) profit policy (c) profit theory (d) price leadership	K2	CO1
5	9	_____ is the sum of the wages, rent, interest and profits paid to factors for their contribution to the production of goods and services in a year. (a) Personal income (b) National income (c) fiscal policy (d) monetary policy	K1	CO1
	10	_____ is a state of disequilibrium in which a contraction of purchasing power trends to cause or is the effect of a decline of the price level. (a) Inflation (b) WPI (c) Deflation (d) CPI	K2	CO1

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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.	Distinguish between microeconomics and macroeconomics. (OR)	K4	CO3
	11.b.	List out the components of sustainable business.		
2	12.a.	Why does demand curve slopes downwards? Illustrate. (OR)	K2	CO1
	12.b.	Show the determinants of supply.		
3	13.a.	Describe the assumptions of law of variable proportion. (OR)	K3	CO2
	13.b.	Explain the approaches of measurement of Cost-Output relationship.		
4	14.a.	Briefly discuss about the determinants of market structure. (OR)	K3	CO2
	14.b.	Identify the characteristics of oligopoly market.		
5	15.a.	Analyze the effects of inflation. (OR)	K4	CO3
	15.b.	List out the uses of National Income Estimates.		

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	Examine the scope of the Managerial Economics.	K4	CO3
2	17	Analyze the different types of elasticity of demand.	K4	CO3
3	18	Examine the production ISO-Quants.	K4	CO3
4	19	Evaluate how the price and output is determined in perfect competition.	K4	CO3
5	20	Elucidate the various components of current account in balance of payments.	K4	CO3