

**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

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

Z-Z-Z

END