

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

**BCom (CS) DEGREE EXAMINATION DECEMBER 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 function of a managerial economist? a) To manage company finances b) To perform market research only c) To handle human resources d) To make decisions regarding production and pricing	K1	CO1
	2	Which statement best explains the relationship between Managerial Economics and Statistics? a) Statistics is the theoretical base for Managerial Economics b) Managerial Economics uses statistical tools for decision-making c) The two disciplines are unrelated d) Managerial Economics is a branch of Statistics	K2	CO1
2	3	The 'Law of Demand' states that, other things being equal, the quantity demanded of a good falls when a) The price of the good rises b) The consumer's income rises c) The price of a substitute good falls d) The consumer's taste for the good increases	K1	CO2
	4	If the price of coffee increases, leading to an increase in the demand for tea, this illustrates the concept of a) Income elasticity b) Price elasticity c) Cross elasticity for substitute goods d) Cross elasticity for complementary goods	K2	CO2
3	5	The additional output produced by employing one more unit of a variable input is called a) Total Product b) Average Product c) Marginal Product d) Iso-product	K1	CO3
	6	'Economies of Scale' refer to a) The increase in total cost as output increases b) The decrease in average cost as output increases c) The advantage of hiring more labor d) The benefit of government subsidies	K2	CO3
4	7	A formal agreement among firms in an oligopoly to fix prices and output is called a) A cartel b) Price leadership c) Non-price competition d) A monopoly	K1	CO4
	8	The primary difference between Monopoly and Monopolistic Competition is that Monopolistic Competition has a) A single seller b) No product differentiation c) Many sellers with differentiated products d) No advertising	K2	CO4
5	9	A sustained increase in the general price level of goods and services in an economy is defined as a) Deflation b) Disinflation c) Stagflation d) Inflation	K1	CO5

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5	10	Rapidly rising prices due to excess demand over supply is classified as a) Cost-push inflation b) Stagflation c) Demand-pull inflation d) Deflation	K2	CO5
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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.	Explain the main features and characteristics of Managerial Economics.	K2	CO1
		(OR)		
	11.b.	Explain the various objectives of a modern business firm, beyond profit maximization.		
2	12.a.	Develop a diagram to show and explain five different types of price elasticity of demand.	K3	CO2
		(OR)		
	12.b.	Apply the different methods used for demand forecasting.		
3	13.a.	Analyze the Law of Variable Proportions using a diagram.	K4	CO3
		(OR)		
	13.b.	Distinguish between Economies and Diseconomies of Scale.		
4	14.a.	Examine the main features of a Monopolistic Competition market.	K4	CO4
		(OR)		
	14.b.	Contrast the key characteristics of Perfect Competition and Monopoly.		
5	15.a.	Apply the Product Method for calculating National Income.	K3	CO5
		(OR)		
	15.b.	Develop a diagram to show the different phases of a business cycle.		

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 in detail the scope of Managerial Economics and its relationship with other disciplines.	K4	CO1
2	17	Examine the different types of elasticity of demand and explain their importance in business decision-making.	K4	CO2
3	18	Analyze the cost-output relationship in both the short run and the long run using appropriate cost curves and explanations.	K4	CO3
4	19	Organize a detailed comparison of the four major market structures: Perfect Competition, Monopoly, Monopolistic Competition, and Oligopoly.	K4	CO4
5	20	Analyze the various difficulties encountered in the measurement of National Income.	K4	CO5

Z-Z-Z END