

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BBA DEGREE EXAMINATION MAY 2019
(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 x 1 = 10)

- 1 Managerial economics bridges the gap between economic theory and ____
 (i) Economic principles (ii) Business Management
 (iii) Management (iv) None of the above
- 2 Micro economic theory is also known as _____
 (i) Business theory (ii) Price theory
 (iii) Cost theory (iv) None of the above
- 3 When demand curve is horizontal, elasticity of demand is
 (i) Infinite (ii) Zero
 (iii) Unity (iv) None of the above
- 4 Cobb-douglas production function mainly studies _____
 (i) Capital and labour (ii) Labour and Entrepreneur
 (iii) Land and Labour (iv) Land and capital
- 5 Price of commodity is not affected by transport cost in
 (i) Pure competition (ii) Perfect competition
 (iii) Imperfect competition (iv) Monopoly
- 6 In this types of oligopoly market new firm can enter the market and compete with the existing firms.
 (i) Open Oligopoly (ii) Closed Oligopoly
 (iii) Collusive Oligopoly (iv) None of the above
- 7 The current account of balance of payment includes ____
 (i) Unilateral payments (ii) Portfolio investments
 (iii) Short term borrowings (iv) Long term borrowings
- 8 Fiscal policy can be used to _____
 (i) Control over the inflation (ii) Avoid monetary imbalances
 (iii) Stabilize the economy (iv) Wage administration
- 9 _____ is a good measure of a country's economic activity.
 (i) National income (ii) Personal income
 (iii) Gross domestic product (iv) Disposable income
- 10 Business cycle also known as _____
 (i) Trade cycle (ii) Contraction
 (iii) Expansion (iv) Upper turning point

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Cont...

SECTION - B (35 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 7 = 35)

- 11 a Describe the role of managerial economics.
OR
b Distinguish between micro and macro economics.
- 12 a State the factors influencing the demand.
OR
b Bring out the internal economies of large scale production.
- 13 a Analyze the features of monopolistic competition.
OR
b Narrate the cost-oriented pricing methods of a businessman.
- 14 a Describe the measures to correct disequilibrium,
OR
b State the major objectives of monetary policy.
- 15 a Classify the different types of inflation.
OR
b Describe the different phases of the business cycle.

SECTION - C (30 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Discuss the scope of the managerial economics.
- 17 Analyze with figures the long run average cost curves of the firm.
- 18 Discuss the role of time in price determination under perfect competition.
- 19 Differentiate between balance of trade and balance of payments.
- 20 Discuss the methods of computation of national income.

Z-Z-Z

END