

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BBA DEGREE EXAMINATION DECEMBER 2022  
(Second Semester)

Branch – BUSINESS ADMINISTRATION

MANAGERIAL ECONOMICS

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- 1 The subject matter of Business Economics is
  - (i) cost and revenue
  - (ii) price and value
  - (iii) decision making and forward planning
  - (iv) debit and credit
- 2 Relatively Elastic Demand is
  - (i)  $ep = 1$
  - (ii)  $ep = 0$
  - (iii)  $ep < 1$
  - (iv)  $ep > 1$
- 3 Product differentiation is an important feature of
  - (i) Monopoly
  - (ii) Monopolistic Competition
  - (iii) Oligopoly
  - (iv) Perfect Competition
- 4 The primary purpose of the RBI monetary policy is to maintain
  - (i) price stability
  - (ii) exchange rate
  - (iii) wealth
  - (iv) growth
- 5 Inflation is measured on the basis of
  - (i) wholesale price index
  - (ii) consumer price index
  - (iii) Income Tax
  - (iv) Marshall's index

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a. Describe the features of Managerial Economics.  
OR  
b. State the importance of Macro Economics.
- 7 a. Explain the Law of Demand with diagram.  
OR  
B. Examine the relationship between Average Cost and Marginal Cost with diagram
- 8 a. Bring out the assumptions of Perfect Competition  
OR  
b. Explain the Kinked Demand Curve pricing in Oligopoly.

Cont...

- 9 a. Examine the types of disequilibrium in Balance of Payment.  
OR  
b. Describe the objectives of Monetary Policy.
- 10 a. Examine the significance of National Income.  
OR  
b. Bring out the different phases of Business Cycle.

**SECTION -C (30 Marks)**

Answer ALL questions  
ALL questions carry EQUAL Marks (5 x 6 = 30)

- 11 a. Discuss the roles and responsibilities of Managerial Economist in Business  
OR  
b. Examine the relationship between Managerial Economics and other disciplines
- 12 a. Critically evaluate the Law of Variable Proportions.  
OR  
b. Elucidate the properties of Iso-Quant analysis.
- 13 a. Explain the price and output determination in Monopoly.  
OR  
b. Discuss the factors affecting the Pricing Policy.
- 14 a. Enumerate the causes of Balance of Payment Disequilibrium and measures to correct the Balance of Payment disequilibrium.  
OR  
b. Discuss the objectives and instruments of Fiscal Policy.
- 15 a. Elucidate the different methods of measuring National Income.  
OR  
b. Discuss the consequences of Inflation and Measures to control Inflation.

Z-Z-Z

END