

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BBA DEGREE EXAMINATION DECEMBER 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 is a _____ science.
(i) Positive (ii) Normative,
(iii) both (i) and (ii) (iv) None of the above
- 2 Macro economics as a separate branch came to be studied after the contributions of which economist?
(i) Adam Smith (ii) John Maynard Keynes
(iii) F.Hayek (iv) Samuelson
- 3 The price-demand relationship between related goods is called ____ demand.
(i) Price (ii) Income
(iii) Cross *f* (iv) None of the above
- 4 Iso-quant curve is also called as
(i) Equal cost curve (ii) Equal product curve
(iii) Indifference curve (iv) None of the above
- 5 Under _____, price is determined by the interaction of total demand and total supply in the market.
(i) Perfect Competition (ii) Monopoly
(iii) Imperfect Competition (iv) All of the above
- 6 Which of the following characterizes monopolistic competition?
(i) Price Leadership (ii) Product differentiation
(iii) Price discrimination (iv) Economies of scale
- 7 The current account of balance of payments does not include _____.
(i) Trade in goods (ii) Trade in Services
(iii) Income on investments (iv) None of the above
- 8 _____ is usually undertaken when the economy is in equilibrium.
(i) Denial Fiscal Policy (ii) contradiction in Fiscal Policy
(iii) Expansionary Fiscal Policy (iv) Neutral Fiscal Policy
- 9 The _____ income is an indicator of the stage of development of an economy.
(i) National (ii) International
(iii) Percapita (iv) None of the above
- 10 The study of ups and downs in economics is _____.
(i) Monetary Policy (ii) Fiscal Policy
(iii) Business Cycle (iv) None of the above

SECTION - B (35 Marks)

Answer **ALL** Questions

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

- 11 a Outline the major uses of managerial economics.
OR
b State the importance of micro economics.
- 12 a Bring out the major determinants of supply.
OR
b State the marginal cost and average cost and their relationship.
- 13 a Describe the features of perfect competition.
OR
b Narrate the competition - oriented pricing methods of a businessman.
- 14 a Outline main constituents of a country's balance of payments.
OR
b State the main instruments of fiscal policy.
- 15 a Describe the important concepts or totals in social accounting.
OR
b Explain the effects of business cycle.

SECTION - C (30 Marks)

Answer any **THREE** Questions

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

- 16 Examine the nature and scope of managerial economics.
- 17 Discuss the different types of elasticity of demand.
- 18 Analyze with illustration how monopoly price is fixed.
- 19 Summarize the causes of disequilibrium in balance of payment.
- 20 Discuss the causes and effects of inflation.

Z-Z-Z

END