

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

MCom (CS) DEGREE EXAMINATION MAY 2018  
(First Semester)

Branch – CORPORATE SECRETARYSHIP

**ECONOMICS FOR DECISION MAKING**

Time : Three Hours

Maximum : 75 Marks

**SECTION -A (30 Marks)**

Answer ALL questions

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

- 1 a Describe importance of managerial economics.  
OR  
b Mention the different economic concepts that are used in business decisions.
- 2 a Explain the types of price elasticity of demand.  
OR  
b What are the factors determines demand for a durable commodity?
- 3 a Enumerate Cobb – Douglas production function.  
OR  
b Distinguish between cost control and cost reduction. List out the areas of cost control.
- 4 a Explain price discrimination. State the different types of discrimination.  
OR  
b Enumerate the features of perfect competition.
- 5 a What is profit planning? Explain its importance.  
OR  
b Explain the concepts : (i) Economic profit (ii) Accounting profit.

**SECTION -B (45 Marks)**

Answer any THREE questions

ALL questions carry EQUAL Marks (3 x 15 = 45)

- 6 Explain the nature and scope of managerial economics.
- 7 Describe the different types of demand. State why the demand curve slopes downward.
- 8 Explain and illustrate the law of variable proportion.
- 9 Discuss skimming pricing policy. Point out the reasons for success this policy.
- 10 Explain the IRR and NPV methods of investment analysis.