

(6 pages)

S.No. 8469

P 22 FMCC 11

(For candidates admitted from 2022–2023 onwards)

M.Com. DEGREE EXAMINATION, NOVEMBER 2023

Financial Management

MANAGERIAL ECONOMICS

Time : Three hours

Maximum : 75 marks

SECTION A — (20 marks)

Answer ALL questions.

I. (A) Multiple Choice Questions : (5 × 1 = 5)

1. _____ essentially constitutes of economic theories and analytical tools that are widely applied to business decision making.

- (a) Business Economics
- (b) Agricultural Economics
- (c) Managerial Economics
- (d) Industrial Economics

2. Demand _____ assumes greater significance where large scale production is involved.

- (a) Forecasting
- (b) Planning
- (c) Budgeting
- (d) Estimating

3. _____ function is a mathematical presentation of input output relationship.

- (a) Product
- (b) Production
- (c) Marketing
- (d) Human Resources

4. A decrease in price could be because of a

- (a) Fall in demand or a rise in supply
- (b) Rise in demand or a rise in supply
- (c) Fall in demand or a fall in supply
- (d) Rise in demand or a fall in supply

5. The term business cycle refers to _____.

- (a) fluctuations in aggregate economic activity over time
- (b) ups and down in the production of goods
- (c) increasing unemployment
- (d) declining savings

(B) Fill in the blanks : (5 × 1 = 5)

6. Managerial economics is an application of the principles of micro and macro economics in managerial _____.
7. When at war, governments use demand-supply analysis to set a _____ ceiling for each product.
8. To encourage a particular commodity, the government offers _____ to manufacturers.
9. _____ is a microeconomic pricing strategy where identical or largely similar goods or services are sold at different prices by the same provider in different markets.
10. _____ income means the value of goods and services produced by a country during a financial year.
- II. Descriptive type question : (5 × 2 = 10)
11. What is the relationship between managerial economics and mathematics?
12. What is zero income elasticity of demand?

13. Define production.
14. What is meant by price discrimination?
15. What do you mean by national income?

SECTION B — (5 × 5 = 25)

Answer ALL questions, choosing either (a) or (b).

16. (a) Briefly state the relationship between managerial economics and macro economics.

Or

(b) Write down the objectives of managerial economics.
17. (a) Explain the term Cross Elasticity of Demand giving examples.

Or

(b) State the practical importance of price elasticity of demand.
18. (a) What do you mean by production function? Give any two features.

Or

(b) What are the uses of production function in decision making?

19. (a) Distinguish between perfect market and imperfect market.

Or

- (b) Explain the characteristics of monopoly.

20. (a) What are the salient features of business cycle?

Or

- (b) State the limitations of economic forecasting.

SECTION C — (3 × 10 = 30)

Answer any THREE questions.

21. Explain the characteristics of managerial economics.
22. What is demand forecasting? Explain various methods of demand forecasting.
23. Discuss the shape and construction of short run and long run average cost curves.

24. Explain various factors that determine the extent of the Market.

25. Analyze the problems in the estimation of National Income in India.
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