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B.B.A. (CBCS) DEGREE EXAMINATION,
APRIL 2023

Second Semester

Business Administration/Shipping and Logistics
Management – Core

MANAGERIAL ECONOMICS

(For those who joined in July 2021 onwards)

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

Which of the following are determinants of
demand for a product/service?

- (a) Price of the product/service
- (b) Income of the buyer
- (c) Desire to purchase the product/service
- (d) All of the above

2. If the price of a commodity increases, the supply
for it will _____

- (a) decrease
- (b) increase
- (c) be 0
- (d) none of the above

3. _____ cost is a cost that exists without the
exchange of cash and is not recorded for
accounting purpose.

- (a) Sunk
- (b) Marginal
- (c) Variable
- (d) Implicit

4. Which of the following explains the short-run
production function?

- (a) Law of Demand
- (b) Law of Variable Proportion
- (c) Returns to Scale
- (d) Elasticity of Demand

5. Which of the following market types has all firms
selling products so identical that buyers do not
care from which firm they buy?

- (a) perfect competition
- (b) oligopoly
- (c) monopolistic competition
- (d) monopoly

6. If the technology for producing a good enables one firm to meet the entire market demand at a lower price than two or more firms could, then that firm has _____
- (a) a legal barrier to entry
 (b) a natural monopoly
 (c) increasing average total costs
 (d) patented the market
7. Floating Exchange rate is determined by _____
- (a) mutual consultations between countries
 (b) banking systems
 (c) market forces
 (d) none of the above
8. Which is the most effective quantitative method to control inflation in the economy?
- (a) Credit rationing
 (b) Selective credit control methods
 (c) Cash reserve ratio
 (d) Both (a) and (b)
9. The agency estimating the National Income of India is _____
- (a) Reserve Bank of India
 (b) Planning Commission
 (c) Ministry of Finance
 (d) Central Statistical Organisation
10. There is large scale of involuntary unemployment in the _____ phase of business cycle.
- (a) expansion (b) peak
 (c) contraction (d) none of the above

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) List out the determinants of demand.
 Or
 (b) State the significance of demand forecasting.
12. (a) Write a note on long run Cost – output relationship.
 Or
 (b) Enumerate the properties of Iso-Quants.

13. (a) Enumerate the features of Monopoly.

Or

(b) Write a note on Dumping.

14. (a) What is known as Exchange Rate? How it is determined?

Or

(b) Explain the different types of inflation.

15. (a) Explain the product method of National Income measurement.

Or

(b) Discuss the difficulties in measuring National Income.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Explain the Law of Demand.

Or

(b) Describe the different types of Elasticity of supply.

17. (a) Explain the Production function with one variable input.

Or

(b) What are the benefits of large scale production? Explain.

18. (a) List out the features of Monopolistic competition.

Or

(b) Describe the pricing methods under Oligopoly.

19. (a) Explain the different types of money.

Or

(b) Discuss the Corrective mechanism to control inflation.

20. (a) Explain the different concepts of National Income.

Or

(b) Describe the phases of Business Cycle.