

D1BHC2204 (S2)

Reg. No.....

Name: .....

**FIRST SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2024**

**(Improvement/Supplementary)**

**B.Com. HONOURS**

**GBCH1B04T: MANGERIAL ECONOMICS**

**Time: 3 Hours**

**Maximum Marks: 80**

**Part A: Answer all the questions. Each carries *one* mark.**

**Choose the Correct Answer.**

1. Which of the following is the best definition of managerial economics? Managerial economics is \_\_\_\_\_.
  - a. A distinct field of economic theory.
  - b. A field that applies economic theory and the tools of decision science.
  - c. A field that combines economic theory and mathematics.
  - d. None of the above.
2. The demand curve will shift to the left for most consumer goods when \_\_\_\_\_.
  - a. Incomes decrease.
  - b. The prices of complements increase.
  - c. The prices of substitutes fall.
  - d. All of the above.
3. Marginal cost is the change in total cost resulting from unit change in:
  - a. Output
  - b. Both a. and c.
  - c. Input.
  - d. None of these.
4. Cartels are most likely to arise in which of the following market structures?
  - a. Perfect competition.
  - b. Oligopoly.
  - c. Monopolistic Competition.
  - d. Monopoly.
5. Which of the following is the definition of a budget deficit?
  - a. Excess of the total expenditure over the total receipts minus interest payments and borrowings.
  - b. Excess of the total expenditure over the total receipts minus borrowings.
  - c. Excess of the revenue expenditure over the revenue receipts.
  - d. Excess of the total expenditure over the total receipts.

**Fill in the Blanks.**

6. "A rupee tomorrow is worth less than a rupee today" relates to \_\_\_\_\_ principle.
7. With respect to production, the short run is best defined as a time period in which \_\_\_\_\_ input is fixed
8. \_\_\_\_\_ means the total receipts from sales divided by the number of units sold.
9. The low point in the business cycle is referred to as the \_\_\_\_\_.
10. \_\_\_\_\_ is situation in business cycle with increased investment and increased price.

**(10 x 1 = 10 Marks)**

**(PTO)**

**Part B: Answer any *eight* questions. Each carries *two* marks.**

11. Define recession in business cycle.
12. List any two instruments of monetary policy.
13. What is meant by extension and contraction of demand?
14. State the law of supply.
15. At the optimum level of output, what is the relationship between average cost and marginal cost?
16. What are the prime functions of a management executive?
17. State the law of variable proportion.
18. What is market failure?
19. Define gross domestic product.
20. List any two roles of a managerial economist.

**(8 x 2 = 16 Marks)**

**SECTION C: Answer any *six* questions. Each carries *four* marks.**

21. Differentiate between short-run and long-run production function.
22. Explain variable factors and fixed factors of production with the help of examples.
23. Write a short note on GDP and GNP.
24. What is meant by increasing returns to scale, constant returns to scale and decreasing returns to scale?
25. Illustrate first degree and second degree price discrimination with diagrams.
26. Elucidate the time-perspective principle in managerial economics.
27. Differentiate between personal income and disposable income.
28. Explain the marginal and incremental principle in managerial economics.

**(6 x 4 = 24 Marks)**

**SECTION D: Answer any *two* questions. Each carries *fifteen* marks.**

29. Analyze the Hicksian decomposition of price effect with the help of suitable diagram.
30. Explain the short-run and long run equilibrium of a firm making losses in perfect competition with the help of diagram. Also, illustrate and explain shut-down point.
31. Describe the different types of inflation.

**(2 x 15 = 30 Marks)**