

Reg. No. :

D 1165

Q.P. Code : [07 DMB 02]

(For the candidates admitted from 2007 onwards)

M.B.A. DEGREE EXAMINATION, DECEMBER 2010.

First Year

MANAGERIAL ECONOMICS

Time : Three hours

Maximum : 100 marks

Answer any FIVE questions.

All questions carry equal marks.

(5 × 20 = 100)

1. What are the major areas of business decision-making? How does economic theory contribute to managerial decisions?
2. Explain elasticity of demand. Discuss the features that influence a demand for a product.
3. Enumerate and explain the advantages and limitations of large scale production.
4. How will you define economic of scale? What are the sources of internal and external economies?

5. Explain the pricing approaches in the following cases :

- (a) Manufacturers and retailers
- (b) When products are exportable
- (c) Perishable and durable goods.

6. How far is maximisation the basis objective of every firm? Discuss the various reasons for limiting profits.

7. What are the causes of different kinds of disequilibria in the balance of payments? Suggest measures to correct an advance balance of payment.

8. What are the main objectives of fiscal policy? Describe the role of fiscal policy in the economic growth of developing economy.