



INDIAN MARITIME UNIVERSITY

SCHOOL OF MARITIME MANAGEMENT

**June 2013 Examinations
FIRST SEMESTER**

MANAGERIAL ECONOMICS

**Old Subject Code: T 1102
Date: 07.06.2013
Time: 3 Hrs**

**QP Code: T0811102/ T0821102
Max. Marks: 75**

Note: Answer All Questions.

Part –A

(10 x 1 =10)

1. ----- refers to the application of economic theory and tools of analysis.
2. Micro economics is the study of the economic behavior of ----- firm/consumer.
3. Demand for the commodity is the desire backed by
 - a) ability to pay
 - b) willingness to pay
 - c) ability and willingness to pay
 - d) none of the above
4. Which of the following pairs of goods is an example of substitutes?
 - a) Tea and Sugar
 - b) Tea and Coffee
 - c) Pen and Ink
 - d) shirt and trousers
5. If the price of the commodity increase from 200 to 240 and demand decreases from 100 units to 75 units, evaluate its elasticity.
 - a) 1.5
 - b) -1.5
 - c) 0.5
 - d) -0.5
6. In the short run, when the output of a firm increases its average fixed cost
 - a) Increase
 - b) remains constant
 - c) equal to 1
 - d) decreases
7. A horizontal supply curve implies the elasticity of supply is
 - a) 0
 - b) Infinity
 - c) =1
 - d) >0 but <1
8. ----- factor change with a change in the level of output.
 - a) Fixed
 - b) Marginal
 - c) Variable
 - d) All

9. The first order condition for the firm to be in equilibrium
a) $MC=MR$ b) $AC=AR$ c) $AC=MC$ d) $AC=MR$

10. Average revenue curve is also called as

- a) Demand Curve b) Supply Curve
c) Profit Curve d) Indifference Curve

Part B

Note:- Answer any five questions

(5 x 5 = 25)

11. Differentiate between micro and macro economics.
12. Explain the various types of demand elasticity.
13. What is a cost function? What are the determinants of costs?
14. Explain the various internal and external economies to scale.
15. Write short notes on price discrimination and its types.
16. What are the characteristics of oligopoly market?
17. How is elasticity of supply measured? What are the factors affecting it?

Part - C

Question No. 18 is compulsory (Choose any 3 out of five Questions)

(4 x 10 = 40)

18. With the demand function $Q = 25000 - 25p$ find
- a) The quantity demanded when price is 200, 400, 500.
 - b) The price elasticity of demand at price 200, 400, 500.
 - c) The average price expected when the quantity demanded in the previous year was 250.
 - d) Why does the demand curve slopes downward?
19. Explain the various methods of demand forecasting.

20. Explain price determination in the short run under

- i) Perfect competition
- ii) Monopoly market
- iii) Monopolistic competition

21. Discuss the law of Demand with illustration. Give circumstances under which it is not operative.

22. State and explain the Law of variable proportion. How does a producer attain the level of equilibrium?

23. Define Break Even point. With suitable illustration discuss Break Even Analysis.
