wtfar

INDIAN MARITIME UNIVERSITY

(A CENTRAL UNIVERSITY, GOVERNMENT OF INDIA)

M.B.A. (INTERNATIONAL TRANSPORTATION AND LOGISTICS / PORT AND SHIPPING MANAGEMENT)
DEC '14 / JAN'15 END SEMESTER EXAMINATIONS
I SEMESTER EXAMINATION

MANAGERIAL ECONOMICS (CODE: T 1102)

Time: 3 Hrs: MAX MARKS : 60

Date:26-12-2014 Pass Marks : 30

Section –A (12x1=12Marks)

Answer all questions. All questions carry equal marks

1. The opportunity cost of a factor of production with specific use is
   a. Very high
   b. Infinite
   c. Zero
   d. Constant

2. Under perfect competition, firms do not engage in price war because
   a. Firms work in cooperation with one another under the same
   b. Number of firms is very high
   c. The demand for the product of a firm under the same is perfectly elastic.
   d. All the above mentioned conditions are responsible

3. Which of the following is not included in managerial economics
   a. Elementary supply and demand
   b. Costs of production
   c. Profit planning and control
   d. Factors influencing national product

4. The equilibrium of the firm occurs when
   a. P=MC
   b. MR=MC
   c. P=MR
   d. AC=MC

5. Marginal cost curve cuts the Average cost -------
   a. At the left of its lowest point
   b. At its lowest point
   c. At the right of its lowest point
   d. None of the above

6. A fall in the price of a commodity leads to--------
   a. A shift in demand
   b. A fall in demand
   c. A rise in the consumers' real income
   d. A fall in the consumers' real income

7. A firm earns a total revenue of Rs. 500 by selling 10 units. Now the firm sells 11 units and earns a total revenue of Rs. 520. The extra Rs. 20 is ------
   a. Marginal Revenue
   b. AR
   c. TR
   d. Price

8. Shut down point is one where a firm ....
   a. Cannot reach a no profit no loss position
   b. Can cover only the fixed costs
   c. Cannot cover variable costs
   d. None of the above

9. Price elasticity of demand greater than 1 is called --------------
   a. Unit elastic demand
   b. Inelastic demand
   c. Relatively elastic demand
   d. Zero elastic demand

10. Another name of LAC curve is---------
    a. Envelope curve
    b. Fixed cost curve
    c. Variable cost curve
    d. Marginal cost curve

11. When demand is inelastic, an increase in price leads to .....
    a. An increase in TR
    b. A decrease in TR
    c. No change in TR
    d. A decrease in profit

12. Consider two goods, car and petrol. The cross elasticity should be ....
    a. Positive
    b. Negative
    c. Zero
    d. Undefined

SECTION-B

(5×4=20 Marks)

Answer any FIVE questions not exceeding 200 words. All questions carry equal marks

13. If the total cost function of a company is $TC = 280 + 7Q + 4Q^2$, find the average cost and marginal cost at an output level of 7 units
14. Define advertising elasticity of demand and its economic implications for a business
15. State the objectives of pricing policy adopted by a firm.
16. Why long run average cost curve is called an envelope curve?
17. Define opportunity cost, social cost, and fixed cost
18. Explain the properties of isoquants
19. How do demand forecasting methods for new products vary from those for established products?

SECTION C

(4×7=28 Marks)

Answer question no. 20 (compulsory) and any 3 (three) from the rest

20. Define price elasticity of demand and distinguish its various types. Discuss the role of price elasticity of demand in business decisions
21. Give a short note on important pricing methods
22. Explain the significance of Break even point in a business organisation
23. What are the important assumptions of perfect competition? How does a firm arrive at the equilibrium price and output in the long run under perfect competition?
24. State and explain the Law of Variable proportion. How does a producer attain the level of equilibrium
25. "Managerial economics is economics applied in decision making". Explain

****