

MAY 2013

**P/ID 6006/MBF**

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Time : Three hours

Maximum : 80 marks

PART A — (8 × 5 = 40 marks)

Answer any EIGHT questions.

1. State the salient features of managerial economics.
2. What are the responsibilities of managerial economist?
3. What is cobb-douglas function? Explain briefly.
4. What is economics of scale? Explain briefly.
5. Describe the factors which are determining the demand of a product.
6. What is price discrimination and what are the conditions for successful price discrimination?
7. Narrate the features of perfect competition.
8. What is BEP? Explain briefly.
9. Briefly explain the importance of resource allocation.
10. Briefly explain the concept of balance of payment.
11. What are the advantages of capital budgeting?
12. Explain the theory of income distribution.

PART B — (4 × 10 = 40 marks)

Answer any FOUR questions.

13. Managerial economics a tool to business decision – Discuss.
14. Explain the types of demand analysis and their implications.
15. How price and output decisions are made in a competitive market?
16. Explain the elements of cost volume profit analysis in the business and economic decisions.
17. Discuss the different methods of measuring national income. And also explain the difficulties associated in the calculation of national income.
18. When the marginal cost changes the average cost changes?
  - (a) at the same rate
  - (b) at higher rate or
  - (c) at a lower rate?

Illustrate your answer.

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