

MAY 2012

**P/ID 77505/PMBE/
PMB1E**

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

All questions carry equal marks.

1. Explain the various managerial economics concepts.
2. What is optimization analysis? Explain briefly.
3. Explain the concept of production function and give its economic significance.
4. What are the various determinants of demand?
5. Explain the various types of costs.
6. Explain the features of perfect market competition.
7. Distinguish between fixed costs and variable costs.
8. What is product line pricing? Explain briefly.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

All questions carry equal marks.

9. Explain important economic theories which are applied to Managerial Economics.
10. Explain the modern techniques of investment appraisal. What are the limitations of this technique?
11. What are the determinants of cost behaviour? Enumerate the different approaches for estimating cost functions.
12. Discuss the law of equi marginal utility and its criticisms.
13. What is price discrimination? Mention the forms of price discrimination.
14. “Trade cycle is a purely momentary phenomenon” - Do you agree with this statement? Explain your views in detail.
15. Explain the importance of ‘time element’ in the determination of price .
16. Discuss the various methods of measuring National Income.

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