MBA 02 R

M.B.A. DEGREE EXAMINATION, DECEMBER 2012/
JANUARY 2013.

First Semester

General, Finance, Marketing, HRM, International Business, Retail Management Tourism
(2012-13 batch only)

Paper II – MANAGERIAL ECONOMICS

Time : Three hours   Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. State the meaning and characteristics of managerial economics.

2. Discuss the various determinants of demand.

3. What are the exceptions to the law of demand?

4. Explain the characteristics of oligopoly.

5. Illustrate short range and long range costs with suitable examples.

6. What are the differences between perfect competition and monopoly? Explain.

7. Discuss the advantages of price discriminations.

8. Write a note on fiscal and monetary policies.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. Explain the relationship of Managerial Economics with other disciplines.

10. Explain the factors influencing elasticity of demand.

11. Discuss the various types of market structure.

12. How price is fixed in perfect competition? Explain.

13. Explain any two methods used for determining national income.

14. Write a note on the economic indicators.

15. Discuss the advantages of globalization.

16. What do you mean by FDI? What are its merits? Explain the factors influencing FDI.

PART C — (1 × 20 = 20 marks)

17. Case Study - Compulsory

Describe the effects of each of the following managerial decisions or economic influences on the value of the firm:

(a) The firm is required to install new equipments to reduce air pollution.

(b) Through heavy expenditures on advertising the firm's marketing department increases sales substantially.

(c) The production department purchases new equipments that lowers manufacturing costs.

(d) The firm raises prices. Quantity demanded in the short run is unaffected, but in the longer run, unit sales are expected to decline.

(e) The Federal Reserve System takes actions that lower interest rates dramatically.

(f) An expected increase in inflation causes generally higher interest rates, and, hence the discount rate increases.

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