

M.A. DEGREE EXAMINATION, NOVEMBER 2019
I Year I Semester
Managerial Economics

Time : 3 Hours

Max.marks :75

Section A ($10 \times 2 = 20$) Marks

Answer any **TEN** questions

1. Define Managerial Economics.
2. What is decision making?
3. What is production function?
4. Write a note on opportunity cost.
5. Short note on macro-economic condition.
6. What do you mean by Isoquant?
7. Write a note on price discrimination.
8. Identify the role of managerial economist in forward planning.
9. What do you mean by profits in economic sense?
10. What do you mean by cost of capital.
11. Write a short note on Weighted Cost of Capital.
12. Write a note on National income.

Section B ($5 \times 5 = 25$) Marks

Answer any **FIVE** questions

13. What are the different methods of measuring national income?
14. Explain the meaning and nature of cost of capital.
15. Explain the scope of Managerial Economics.
16. Differentiate between Change in Demand and Amount demanded.
17. Explain the objectives and purposes of forecasting.
18. Explain the three phases of returns to scale.
19. Describe the characteristics of Oligopoly.

Section C ($3 \times 10 = 30$) Marks**PART - A - Case Study - Compulsory Question**

20. The new productivity strategies require that managers loosen control over employees (holding them accountable only for outcomes) that they support rather than dominate employees efforts, and that they proactively provide feedback, which may upset people. Productivity improvement also requires increased measurement and communication of results. Managers may be sceptical that productivity improvement will help them rather than hurt them. To the extent that managers use control-dominate-conflict avoidances to promote their careers it is unreasonable to expect them to readily abandon these norms and related behaviour.

Mindlessness is a basic and frequent cause of resistance to productivity improvement. When management and employees are not fully aware of the conditions that are necessary for success, productivity improvement often flounders. For example training for the survey to be conducted properly. The lack of appropriate conditions gives rise to dissatisfaction and resistance. Obstacles occur that are not overcome. Mindlessness also causes complaints about insensitivity and authoritarian conduct. For example, managers often profess commitment to participatory decision - making processes, but they are mindless when they fail to consider that subsequent autocratic decision making will generate resistance.

Mindlessness is often caused by competing priorities, inexperience and laziness.

Questions.

1. Do you subscribe to the above-stated view?
2. Does one often encounter such situations in organisations dictated by profit or non-profit objectives.

PART - B

Answer any **TWO** questions

21. Discuss the various phases of business cycle.
22. Explain the assumptions of the Law of Diminishing Marginal Utility.
23. Discuss the firm objective and the role of Managerial Economist.
24. Discuss the features of Perfect Competition.

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