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Reg. No. : .....

Name : .....*B.com(C.R)*.....

**First Semester B.Com. Degree Examination, January 2013**  
**(Career Related First Degree Programme under CBCSS)**  
**Group 2 (b)**  
**Commerce with Computer Application**  
**Complementary Course : I – CC 1131 : MANAGERIAL ECONOMICS**

Time : 3 Hours

Max. Weight : 30

SECTION – A

This Section consists of **four** bunches of **four** questions **each**. Each bunch carries a weight of **1**. Answer **all** questions.

I. Choose the most appropriate answer from the following :

- 1) A fall in the price of a commodity leads to
  - a) a fall in demand
  - b) a shift in demand
  - c) a rise in the consumer's real income
  - d) a fall in the consumer's real income
- 2) Giffen goods are goods
  - a) Which are scarce in supply
  - b) Which have low cross elasticity of demand
  - c) Which have high income elasticity of demand
  - d) For which demand increases as price increases
- 3) Which one of the following is not a property of isoquants ?
  - a) Isoquants slope downward from left to right
  - b) Isoquants are concave to the origin
  - c) Isoquants will not intersect
  - d) A higher isoquant represents larger output

P.T.O.



- 4) The innovation theory of business cycle was propounded by
- a) Joseph Schumpeter
  - b) A. C. Pigou
  - c) Hawtrey
  - d) J. R. Hicks
- II. 5) Production function expresses the technological relationship between
- a) physical quantities of inputs and output
  - b) cost and revenue
  - c) sales and profit
  - d) fixed cost and variable cost
- 6) Which one of the following is not a determinant of demand ?
- a) Price of the product
  - b) Income of the consumer
  - c) Price of related goods
  - d) Profit of the firm
- 7) When the demand for a commodity is entirely independent of demand for any other commodities, it is called
- a) derived demand
  - b) autonomous demand
  - c) industry demand
  - d) market demand
- 8) What is Price discrimination ?
- a) Charging different prices for different people
  - b) Charging the same price for different people
  - c) Charging low price
  - d) Charging high price
- III. Fill in the blanks choosing suitable words from those given in brackets.
- 9) The Law of demand states that
- [a] When price rises demand falls
  - b) When price rises demand rises
  - c) When income rises demand rises
  - d) When income and price rise demand rises]
- 10) Break-even point is \_\_\_\_\_
- [a] Where total revenue equals total costs
  - b) Where total contribution equals variable costs
  - c) Where total revenue equals fixed costs
  - d) Where total revenue equals variable costs]



26) What do you mean by external economies ?

27) What is meant by demand forecasting ?

28) What is derived demand ?

(8×1= 8 Wt.)

#### SECTION – C

Answer **any five** questions in **not** exceeding **one** paragraph **each**. Each question carries a weight of **2**.

29) Describe cross elasticity of demand.

30) Distinguish between managerial economics and pure economics.

31) Explain test marketing.

32) Explain Cobb-Douglas production function.

33) Distinguish between fixed cost and variable cost.

34) What do mean by kinked demand curve ?

35) What is meant by depression ?

36) Explain Iso-cost curve.

(5×2= 10 Wt.)

#### SECTION – D

Answer **any two** questions **not** exceeding **four** pages **each**. Each question carries a weightage of **4**.

37) Distinguish between survey method and trend projection method of demand forecasting. Point out their relative merits and demerits.

38) What is meant by business cycle ? Explain Hick's theory of business cycle.

39) Explain the nature and scope of managerial economics.

(2×4=8 Wt.)