

H 1020

M.B.A. DEGREE EXAMINATION, JUNE 2014.

First Semester

Marketing/Finance/IB/HRM

MANAGERIAL ECONOMICS

Time : Three hours Maximum : 100 marks

SECTION A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Explain the assumptions of Law of Demand.
2. Briefly state the goals of business firm.
3. State the characteristics of monopoly.
4. Explain the types of price discriminations.
5. Indicate the problems connected with capital budgeting.
6. How to calculate the cost of preference capital?

7. Write short note on National Income and Personal Income.

8. State the objectives of Monetary Policy of the Central Bank.

SECTION B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. Explain the characteristics of Managerial economics.

10. Explain the factors determining Price Elasticity of demand.

11. Distinguish between Perfect competition and Monopoly.

12. Discuss the conditions under which price discrimination is possible.

13. Discuss the techniques of Capital Budgeting.

14. Explain the difficulties in the measurement of National Income.

15. Discuss the objectives of Fiscal Policy.

16. Discuss the institutional financial available to Indian Business Enterprises.

SECTION C — (20 marks)

(Compulsory)

17. A project cost Rs.60,000 and has a scrap value of Rs.12,000. Its stream of income before depreciation and taxes during first five years is Rs.12,000; Rs.14,400; Rs.16,800; Rs.19,200 and Rs.24,000. Assuming tax rate at 50% and depreciation on straight line basis, calculate the average rate of return for the project.