



**MAR IVANIOS COLLEGE (AUTONOMOUS)**  
**THIRUVANANTHAPURAM**

Reg. No. :.....

Name :.....

**Third Semester B.Voc. Degree Examination, November 2016**  
**First Degree Programme under CSS**  
**General Course – IX (for Tourism & Hospitality Management)**  
**AUTH363: Managerial Economics**  
*(for 2014 Admissions – Improvement Only)*

Time: 3 Hours

Max. Marks: 80

**SECTION – A**

*Answer ALL questions in one or two sentences.*

1. Managerial economics.
2. Income elasticity of demand.
3. Diseconomies of scale.
4. Law of demand.
5. Short run production function.
6. Substitute goods.
7. Market.
8. Cost plus pricing.
9. Total fixed Cost.
10. Marginal revenue.

**(10 × 1 = 10 Marks)**

**SECTION – B**

*Answer any EIGHT questions, not exceeding a paragraph of 50 words.*

11. Give a brief account of the relationship between traditional economics and managerial economics.
12. What do you mean by cross elasticity of demand ? What are its uses ?
13. What are the major factors affecting demand for a commodity ?
14. What are the major factors affecting the price elasticity of a product ?

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15. Explain the method of going rate pricing.
16. For a commodity X when the price changes from Rs.10 to Rs.15 the quantity demanded changes from 30 kgs to 20 kgs. Estimate the price elasticity of demand.
17. Distinguish between expansion and contraction of demand.
18. What do you mean by economies of scale ?
19. Consider the following table .Estimate the total revenue and Marginal revenue

Price	5	10	12	15	17	20	25	30
Output	10	15	25	27	30	35	37	40

20. The demand function is given as  $q = 30 - 3p$ . Draw the demand curve.
21. Explain Cobb – Douglas production function.
22. What is break even pricing ?

**(8 × 2 = 16 Marks)**

### SECTION – C

*Answer any SIX questions, in a page of 100 words.*

23. What are major measures that can be adopted for controlling trade cycle ?
24. Define returns to scale. What are the different stages of returns to scale.
25. Define price elasticity of demand. Explain the different degrees of price elasticity of demand.
26. What is product line pricing ?
27. What do you mean by marginal cost pricing ? What are its limitations ?
28. Define decision making. What are the different types of decision making ?
29. Define an isoquant. What are properties of an isoquant ?
30. Define advertising elasticity of demand. What are the factors influencing advertising elasticity of demand ?
31. Define business cycles. What are its different phases ?

**(6 × 4 = 24 Marks)**

### SECTION – D

*Answer any TWO questions, not exceeding four pages.*

32. Discuss the nature and scope of managerial economics. Explain the role and responsibilities of a managerial economist.
33. What is demand forecasting ? What are the important methods of demand forecasting ?
34. Explain the law of variable proportions and its practical applications.
35. Explain the method of pricing over the life cycle of the product.

**(2 × 15 = 30 Marks)**

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