



MAR IVANIOS COLLEGE (AUTONOMOUS)
THIRUVANANTHAPURAM

Reg. No. :.....

Name :.....

Third Semester B.Voc. Degree Examination, November 2015
First Degree Programme under CSS
General Course – IX (for Tourism & Hospitality Management)
AUTH363: Managerial Economics

Time: 3 Hours

Max. Marks: 80

SECTION – A

Answer ALL questions in one or two sentences.

1. Define Giffen goods.
2. Explain income effect.
3. What is pricing ?
4. What is opportunity cost ?
5. Define diseconomies of scale.
6. What is elasticity of demand ?
7. What is depression ?
8. What do you mean by increase in demand ?
9. What is breakeven point pricing ?
10. What is average product ?

(10 × 1 = 10 Marks)

SECTION – B

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

11. What is cost – plus pricing ?
12. Explain substitution effect.
13. What is Barometric method ?

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14. What do you mean by decision making ?
15. Enumerate various determinants of demand ?
16. Explain the following terms: i). Marginal revenue ii). Incremental revenue
17. What do you mean by income elasticity of demand ?
18. You are given the following. Calculate price elasticity.

Year	Price	Quantity
2012	Rs.12	3,000 units
2013	Rs.16	2,800 units

19. What are the objectives of pricing ?
20. Explain the law of variable proportions.
21. Define isoquant and mention its properties.
22. Briefly explain the Cobb – Douglas production function ?

(8 × 2 = 16 Marks)

SECTION – C

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

23. Differentiate between Economics and Managerial Economics.
24. Examine the factors influencing the pricing policy.
25. Explain the determinants of price elasticity of demand.
26. Define trade cycle. Explain its characteristics ?
27. Explain the role and responsibility of a managerial economist.
28. Given below is a table showing the number of units sold and the total revenue. Calculate the average revenue, marginal revenue and price elasticity of each of the below sales.

Units Sold	Total Revenue
1	25
2	60
3	90
4	120
5	130
6	130
7	125

29. Explain the two different methods used in pricing a new product.
30. Explain various measures followed in controlling trade cycles.
31. Write a note on internal economies of scale.

(6 × 4 = 24 Marks)

SECTION – D

Answer any TWO questions, not exceeding four pages.

32. Explain the law of returns to scale.
33. What is demand forecasting ? Explain the survey methods used for demand forecasting.
34. Discuss the scope of managerial economics.
35. With the help of a chart, briefly explain Decision Making Process in a business organisation ?

(2 × 15 = 30 Marks)

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