

(DEMB 3)

EXECUTIVE M.B.A. DEGREE EXAMINATION, MAY - 2015

First and Second Years

Paper – III : MANAGERIAL ECONOMICS

Time : 03 Hours

Maximum Marks : 75

SECTION-A

(3 x 5 = 15)

Answer Any Three of the following

- 1) a) Nature of managerial economics.
b) Cross elasticity of demand.
c) Isoquants.
d) Objectives of firm.
e) NPU.
f) Duopoly.

SECTION-B

(3 x 15 =45)

Answer Any Three of the following

- 2) What are the determinants of demand?
3) Bring out the cost-output relationship in the long-run.
4) Examine the law of variable proportions.
5) How is price determined under monopolistic competition.
6) State the considerations in public investment decision.
7) Critically analyse the behavioural theory of firm.

SECTION-C

(15)

(Compulsory)

- 8) X Ltd., an FMCG company, has been spending huge amounts on advertisements. It has collected the following data on advertisement expenditure and demand for its product for the last 5 years:

Year	2004	2005	2006	2007	2008
Advt. expenditure Rs. crores	10	15	20	25	30
Demand (Qty.) In lakhs of units	100	112	115	120	122

- i) Estimate the demand for the years 2009 and 2010 when the advertisement expenditure is expected to be Rs. 32 and Rs. 35 crores respectively; and.
- ii) What is your opinion about the estimation you have made?

