

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.A. DEGREE EXAMINATION – ECONOMICS

FIFTH SEMESTER – NOVEMBER 2018

EC 5402 – MANAGERIAL ECONOMICS

Date: 30-10-2018
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

PART-A

Answer any **FIVE** in 75 words each

(5x 4 = 20 Marks)

1. Define Managerial economics.
2. Write a brief note on cross elasticity of demand.
3. State the different criteria for good forecasting method.
4. Point out the objectives of Price Policy.
5. What is meant by IRR?
6. List out the limitations of Break-even analysis.
7. Point out the specific cost of capital.

PART- B

Answer any **FOUR** in about 250 words each

(4 x 10= 40 Marks)

8. What considerations would you take while forecasting demand for consumer goods? Explain.
9. Explain the nature and scope of managerial economics.
10. Briefly explain the role and responsibilities of managerial economist
11. Explain the various pricing strategies.
12. State and explain the determinants of a cost function.
13. State and explain various methods of capital budgeting techniques
14. Following is a summary of financial data in respect of five investment proposals:

Project	Initial outlay (Rs.)	Net annual cash flow (Rs.)	Life (in years)
A	60,000	18,000	15
B	88,000	15,000	25
C	2,150	1,000	5
D	20,500	3,000	10
E	4,25,000	1,50,000	20

Rank these proposals according to Payback period

15. Explain the managerial use of Break-even analysis

PART-C

Answer any TWO in about 900 words each

(2x 20= 40 Marks)

- 16. “Among the multiplicity of objectives that a modern firm has profit maximization continues to be the most important”. Comment
- 17. Draw and explain the behaviour of various cost curves.
- 18. Discuss the different methods of demand forecasting.
- 19. The annual sales of ABC &Co. are as follows :

Year	2011	2012	2013	2014	2015	2016
Sales(in thousands)	42	52	58	62	56	65

Estimate sales for the years 2017 and 2018. Fit a linear regression equation.

\$\$\$\$\$\$\$\$

