

6Q

**APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY**  
**FIRST TRIMESTER MBA DEGREE EXAMINATION DECEMBER 2016**

**MBA 13 MANAGERIAL ECONOMICS**

Max. Marks: 60

Duration: 3 Hours

**Part A**

**Write short answers to all questions. Each question carries 2 marks**

1. Opportunity cost
2. Cartel
3. Economies of scale
4. Repo rate
5. Sales maximization theory

(5x2 marks = 10 marks)

**Part B**

**Answer any 3 questions. Each question carries 10 marks**

6. Suppose Mr. X wants to enter the garment industry. What are the techniques that he can apply to forecast the demand for his product?
7. Following is a total cost function  
 $TC = 100 + 50Q - 12Q^2 + Q^3$ 
  - a. Find (i) Total Fixed Cost function, (ii) Total Variable Cost function, (iii) Average Variable Cost function, and (iv) Marginal Cost function
  - b. Calculate the TC, ATC, AVC and MC when the firm produces 10 units of output
8. How are price and output determined under Monopoly? Show that under monopoly, price is higher and output smaller, than under perfect competition
9. Explain the concept of break-even point. What are its uses? Using hypothetical figures, determine the break-even point in terms of physical units
10. Why people hold money as lay down by Keynes?

(3x10 marks = 30 marks)

**Part C**

**Compulsory question, the question carries 20 marks**

11. Do you think which of monetary and fiscal measures are more effective in controlling inflation? Support your answer with logic.

(20 marks)