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Reg. No. : .....

**Code No. : 10659 E    Sub. Code : CMBA 21/  
CMSL 21**

**B.B.A (CBCS) DEGREE EXAMINATION, APRIL 2025.**

**Second Semester**

**Business Administration/Aviation Management**

**MANAGERIAL ECONOMICS**

(For those who joined in July 2021 and 2022 onwards)

Time : Three hours

Maximum : 75 marks

**PART A — (10 × 1 = 10 marks)**

**Answer ALL questions.**

Choose the correct answer :

1. The elasticity for the demand of durable goods is \_\_\_\_\_.
- (a) Zero                      (b) Equal to unity  
(c) Greater than unity    (d) Less than unity

2. When the demand for product is perfectly inelastic, a price increase will result in \_\_\_\_\_?
- (a) A decrease in quantity demanded of the product  
(b) No change in the total income from a product  
(c) An increase in the total income from a product  
(d) A reduction in the total income from a product
3. Uncommon thing between law of variable proportions and returns to scale is
- (a) Increasing Returns    (b) Decreasing Returns  
(c) Constant Returns    (d) None of above
4. Which of the following is not considered production in Economics?
- (a) Tilling of soil by farmers  
(b) Singing a song before friends  
(c) Construction of Canal by laborers  
(d) Painting a picture for sale

5. Which of the following options is not the characteristics of the perfect competition market?
  - (a) Sellers selling homogeneous products.
  - (b) Free entry and exit for the firms
  - (c) No intervention by the government.
  - (d) Sellers spend a huge amount of money on advertising
6. Which of the following market types has all firms selling products so identical that buyers do not care from which firm they buy?
  - (a) Perfect competition
  - (b) Oligopoly
  - (c) Monopolistic competition
  - (d) Monopoly
7. Which of the following is a function of money?
  - (a) Medium of exchange
  - (b) Store of value
  - (c) Measure of value
  - (d) All of the above

8. High inflation levels in the economy leads to \_\_\_\_\_ in the supply of money.
  - (a) Increase
  - (b) Decrease
  - (c) No change
  - (d) None of the above
9. Which of the following is a method to measure the National Income?
  - (a) Expenditure method
  - (b) Income method
  - (c) Product method
  - (d) All of the above
10. The trough of a business cycle occurs when \_\_\_\_\_ hits its lowest point.
  - (a) Inflation
  - (b) The money supply
  - (c) Aggregate economic activity
  - (d) The unemployment rate

**PART B — (5 × 5 = 25 marks)**

Answer ALL questions, choosing either (a) or (b).  
Each answer should not exceed 250 words.

11. (a) Explain the scope of managerial economics.

Or

- (b) What are the exceptions in the law of demand?

12. (a) What are the major components of cost?

Or

(b) Discuss the advantages of full cost pricing.

13. (a) Outline the market classification on the basis of competition.

Or

(b) What are the features of monopoly market?

14. (a) What are the different types of money.

Or

(b) Explain the causes of inflation.

15. (a) Discuss the nature of national income.

Or

(b) Explain the features of business cycle.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Elaborate the various factors affecting demand.

Or

(b) Enumerate the different methods of demand forecasting.

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17. (a) Describe the important concept of cost.

Or

(b) Briefly explain the various factors affecting pricing.

18. (a) Elaborate the features of perfect competition.

Or

(b) Elucidate the different sources of monopoly.

19. (a) Enumerate the various functions of money.

Or

(b) Distinguish between inflation and deflation.

20. (a) Describe the different concepts involved in national income.

Or

(b) Elaborate the different types of inflation.

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