# LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



#### **B.A.** DEGREE EXAMINATION – **ECONOMICS**

#### FOURTH SEMESTER - APRIL 2022

# 16/17/18UEC4ES02 - MANAGERIAL ECONOMICS

Date: 23-06-2022	Dept. No.	Max. : 100 Marks
Time: 09:00 AM - 12:00 I	NOON l	

### PART - A

# Q. No Answer any FIVE questions in about 75 words each.

 $(5 \times 4 = 20 \text{ Marks})$ 

- 1 List out various alternative objectives of a firm.
- What is meant by demand forecasting? State the uses of demand forecasting.
- 3 Bring out the methods of demand forecasting.
- 4 Illustrate break-even point with a diagram.
- 5 Differentiate loss and sunk cost.
- 6. State the methods of pricing.
- 7. What is meant by Capital Budgeting?

# PART - B

### Answer any FOUR questions in about 250 words each.

(4x 10 = 40 Marks)

- 8 Baring out the significance of Managerial Economics.
- 9 Given the sale data of ABC company, estimate the trend and forecast the expected sales for the company up to the year 2025.

Year	<b>Sales (in 1000s)</b>
2017	100
2018	150
2019	250
2020	450
2021	700
2022	1000

10 Bring out the steps involved in decision making.

- 11 Describe various types of managerial costs.
- 12. From the given value rank the types of project proposals and make the rank order with remarks using NPV method.

<b>Types of Project</b>	<b>Initial Investment</b>	Cash Flow	Expectancy	Interest Rate (%)
			(in Years)	
1. Dam Construction	2500000	1000000	3	15
2. Pollution Air Free	3000000	900000	5	12
3. Road Contract	1200000	500000	3	10
4. Building Contract\	2000000	900000	3	8

- 13. Explain the factors determining pricing of a product.
- 14. Explore the factors influencing investment decisions of a firm.

### PART - C

# Answer any TWO questions in about 900 words each.

 $(2 \times 20 = 40 \text{ Marks})$ 

- 15 Analyze the techniques of capital budgeting with their merits and limitations.
- 16 Discuss various methods of demand forecasting.
- 17 Explain the various short run cost curves of a firm.
- 18. Examine role of cost on pricing decisions.

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