



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FOURTH SEMESTER – APRIL 2025

16/17/18UEC4ES02 – MANAGERIAL ECONOMICS



Date: 08-05-2025

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 PM

SECTION A

ANSWER ANY FOUR OF THE FOLLOWING

4 X10=40 Marks

1. Clarify the types of decision making
2. Explain the nature of managerial economics.
3. Explore methods of demand forecasting.
4. Review various types of managerial costs.
5. Explain the characteristics of managerial economics
6. Explore various types of pricing of product.
7. Clarify the steps involved in capital budgeting.
8. Review the rules of NPV and its role on investment decision making.

SECTION - B

ANSWER ANY THREE OF THE FOLLOWING

3X 20 =60 Marks

9. Analyse the principles of managerial economics.
10. (a) Illustrate the concept of BEP and estimate the equilibrium output of a firm from the given information. The price of a product is Rs. 60 and fixed costs and variable costs of the firms are assumed to be Rs. 350000 and Rs. 40 per unit respectively.
(b) For the given data find the pricing of a product using target rate of return method. A company which wants to earn a return of 20 per cent its total investment of Rs.50 lakhs, annual sales volume on an average is anticipated to be 50,000 units and the total cost per unit is Rs.80.
11. Estimate the demand forecast of 2025, 2026 and 2027 from the given data of a firm using time series analysis.

Year	Sales (in 000)
2020	45
2021	52
2022	48
2023	55
2024	60

12. From the given financial data, rank the investment proposal of the projects using:

1. Payback period method

2. Average rate of return (cost of capital being at 6%)

Types of Projects	Initial Investments	Net Annual Cash
A	60000	18000
B	88000	15000
C	2150	1000
D	20500	3000
E	425000	150000

13. Discuss various types of short run cost curves with suitable representation.

14. Explain the factors influencing capital budgeting on investment decision making.
