LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

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

FOURTH SEMESTER – **APRIL 2025**

UEC 4601 – MANAGERIAL ECONOMICS

Date: 08-05-2025 Dept. No. Max. : 100 Marks

Time: 09:00 AM - 12:00 PM

	SECTION A - K1 (CO1)
	Answer ALL the Questions **(10 x 1 = 10)**
1.	**Define the following** :
a)	Expected Value
b)	Passive demand forecasting
c)	Abandonment expenditure
d)	Market Skimming
e)	Profitability Index
2.	**Match the following**
a)	Managerial discretion - Depreciation
b)	Opinion poll - Predatory price
c)	Book of Accounts - Cash flows
d)	Market penetration - Delphi method
e)	Payback period method - Staff expenditure
	SECTION A - K2 (CO1)
	Answer ALL the Questions **(10 x 1 = 10)**
3.	**True or False**
a)	Managerial emoluments refer to management slack that includes luxurious offices and perks.
b)	Random variations indicate the changes that occur as a result of general tendencies.
c)	Rent can be considered as a variable expense.
d)	Mark up is the percentage of profit calculated on the total expenditure.
e)	Discounting deals with determining the present value of the amount to be received in the future.
4.	**Mutiple Choice Questions:**
a)	Which type of market structure does Baumol mention in his maximising model? a) Perfect Competition b) Monopolistic Competition c) Oligopoly d) Monopoly
b)	Which method can be used to predict the sales of tractors using the income of farmers? a) Time Series Analysis b) Barometric model c) Survey method d) Market experiment
c)	Which of the following is an implicit expense for a business? a) Capital b) Wages c) Electricity bill d) Cost of raw materials
d)	What is the criteria for a firm to charge cyclical prices? a) Political stability b) Economic environment c) Legal requirements d) Customer attitude
e)	What is the process of evaluating investments in order to obtain the best return? a) Demand forecasting b) Decision analysis c) Pricing policy d) Capital budgeting

SECTION B - K3 (CO2)	
Answer any TWO of the following in 100 words each.	**(2 x 10 = 20)**
5.	Elaborate the theory of sales maximisation.
6.	Identify the determinants of demand forecasting.
7.	Illustrate the various categories of costs involved in business.
8.	Discover the factors influencing the pricing policy.

SECTION C – K4 (CO3)	
Answer any TWO of the following in 100 words each.	**(2 x 10 = 20)**
9.	Explain Williamson's model of managerial discretion.
10.	Analyse the concept of break-even analysis.
11.	Point out the objectives of a pricing policy.
12.	Enumerate the idea of Net Present Value in investment appraisal.

SECTION D – K5 (CO4)	
Answer any ONE of the following in 250 words	**(1 x 20 = 20)**
13.	Evaluate the nature of managerial economics highlighting its relation to economic theory and decision analysis.
14.	Summarise the survey and statistical methods of demand forecasting.

SECTION E – K6 (CO5)	
Answer any ONE of the following in 250 words	**(1 x 20 = 20)**
15.	Combine the different methods of pricing with examples.
16.	Discuss the nature, significance and process of capital budgeting.
