

Subject Code: MB1312/R13

M B A - I Semester Regular/Supply Examinations, Dec/Jan – 2015-16
MANAGERIAL ECONOMICS

Time: 3 hours

Max Marks: 60

Answer any **FIVE** of the following

All questions carry equal marks. **Q.No.8 is compulsory**

1. Discuss the nature and scope of managerial economics.
2. State the managerial uses of elasticity of demand.
3. How does a least-cost-combination with help of Iso product and Iso cost curves?
4. Explain the output relationship in the short run and long run.
5. Enumerate different types of markets.
6. Define and differentiate between perfectly competitive and monopolistically competitive firms.
7. Explain the following:
 - a) Average total cost curve.
 - b) Saucer shaped short run.
8. **Case Study:**

The capital elasticity of output is estimated at 0.3 and capital intensity at 0.5 determine the Marginal Rate of Technical Substitution (MRTS) between capital and labour used in the productive process by a profit maximizer. Suppose that the estimated MRTS corresponds to an optimum output level and that the rental rate for capital is 20% determine the total cost of employing 800 labourers. Assume a Cobb-Douglas type of production function.
