ST. JOSEPH'S COLLEGE (AUTONOMOUS) BENGALURU-27
MID SEMESTER EXAMINATION- AUGUST 2019
B.COM - I SEMESTER
BC1318 / BPS1318: MANAGERIAL ECONOMICS

TIME: 1 Hour   **MAX. MARKS: 30 Marks**

SECTION A

Answer any FIVE of the following questions. Each question carries two marks. (5x2=10)

1) What does the term Production Function in Economics mean?
2) State any 2 uses of Managerial Economics.
3) Define Income Elasticity of Demand
4) State 2 examples each for fixed factors and variable factors of production.
5) Explain the application of Managerial Economics in Cost Decisions of a firm.
6) What is Consumer Equilibrium?
7) If the price of a good increases by 10% and the quantity demanded decreases by 16%, what is the price elasticity of demand? Is it elastic, inelastic or unitary elastic?

SECTION B

Answer any TWO of the following questions. Each question carries five marks. (2x5=10)

8) What is Indifference curve analysis? Explain the properties of an indifference curve.
9) Elaborate the scope of Managerial Economics
10) Explain any 5 types of costs in short-run.

SECTION C

Answer the following compulsory question. The question carries ten marks. (1x10=10)

11) The local Starbucks raises the price of a coffee from $1.75 to $2.25 , the quantity of coffee demanded will decrease. Lesser number of people will buy coffee because of the price increase. Some people will decide to make their own coffee at home, and others will cut back on their number of weekly trips.

Elaborate the various situations where such a behavior of consumer is not applicable in everyday life.

*********** End of Question Paper *****************