

SAQs & LAQs of Managerial Economics

UNIT I: Introduction to Managerial Economics

Short Answer Questions (SAQ)

1. Define Managerial Economics. (CO1)
2. Explain the incremental concepts. (CO1)
3. Explain Equi-marginalism? (CO1)
4. What is meant by opportunity cost? (CO1)
5. Define the term utility.(CO1)
6. Explain the statement of Law of Diminishing Marginal Utility. (CO1)
7. What is the principle of Equi-marginal utility? (CO2)
8. What are the properties of indifference curve? (CO2)
9. What is law of demand? (CO2)
10. Explain Giffen's paradox. (CO2)
11. Why demand curve slopes downward? (CO2)
12. What is price elasticity of demand? (CO2)
13. What is income elasticity of demand? (CO2)
14. What is the cross elasticity of demand? (CO2)
15. Explain point elasticity method of measuring elasticity (CO2)
16. Explain arc elasticity method of measuring elasticity. (CO2)
17. Explain the relationship between total revenue and elasticity. (CO2)
18. What is demand forecasting? List the various demand forecasting methods. (CO1)

Long Answer Question (LAQ)

1. What is meant by Managerial Economics? Explain the nature and scope of Managerial Economics? (CO1)
2. Managerial economics is the integration of Economic theory with business management practices for decision making & forward Planning. Explain. (CO2)
3. Explain the law of diminishing marginal utility. (CO2)
4. Explain the law of equimarginal utility. (CO2)
5. Explain the indifference curve technique. OR Explain the law of diminishing marginal rate of substitution. (CO2)
6. Explain law of demand with limitations. (CO2)
7. Explain the determinants of demand. (CO2)

UNIT II: Production & Cost Analysis

Short Answer Questions (SAQ)

1. What do you mean by production function?
2. Explain Cobb-Douglas production function.
3. What do you mean by Iso-quants?
4. What do you mean by economies of scales?
5. Explain the relationship between fixed, variable and total cost.
6. Explain the relationship between average and marginal cost.
7. Explain historical vs replacement cost.
8. Explain implicit vs explicit cost.
9. Explain opportunity cost.
10. Define Envelope curve.

Long Answer Question (LAQ)

1. Explain law of variable proportions. OR Critically evaluate law of variable proportions.
2. Explain the law of diminishing returns.
3. Explain the law of increasing returns. Why it is observed to be applicable in industries?
4. Explain the economies and diseconomies of scales.
5. Explain the concept of isoquant in detail.
6. Explain the cost output relationship in short and long period.

UNIT III: Market Structure and Pricing practices

Short Answer Questions (SAQ)

1. Define Perfect Competition.
2. What are the characteristics of Perfect Competition?
3. Define Monopoly.
4. What are the characteristics of Monopoly?
5. What are the features of Monopolistic Competition?
6. Define Oligopoly.
7. What are the characteristics of Oligopoly?
8. Define price discrimination
9. Compare various market structures
10. Write short note on imperfect competition

Long Answer Question (LAQ)

1. What is perfect competition? Explain the price output determination under perfect competition in short run and long run.
2. What is monopoly competition? Explain the price output determination under monopoly competition.

3. What is monopolistic competition? Explain the price output determination under monopolistic competition.
4. Explain the kinked demand curve under Oligopoly competition. (Paul Sweezy Model)
5. What is price discrimination? Under what conditions it is possible? Explain the various degrees of price discrimination.

UNIT IV National Income

Short Answer Questions (SAQ)

1. Define National Income.
2. Define GNP, NNP, PI & DI
3. What is the difference between National Income at factor cost and National Income at market prices?
4. What are the methods for measurement of National Income?
5. What is meant by aggregate demand?
6. Explain the concept of Multiplier.
7. Explain the concept of Accelerator.
8. Explain the four phases of Business Cycle.
9. What are the causes of Inflation?
10. Define inflation, deflation, reflation & disinflation.
11. Explain the concept of “Dear Money and Cheap Money”.
12. Define Monetary policy.
13. What are the advantages of Price Stabilization?
14. What are the tools of Monetary Policy?
15. What do you mean by economic Growth?
16. Define Fiscal Policy.
17. What are the Fiscal measures during Inflation?
18. What are the Fiscal measures during Depression?
19. Mention the major four advantages of Monetary Policy (MP) over Fiscal Policy (FP).

Long Answer Question (LAQ)

1. Explain the Methods of calculating NI
2. Explain the concept of Investment Multiplier, its uses and Limitations.
3. Explain the concept of Accelerator, its uses, and limitations.
4. What are the effects of Inflation?
5. How will you control Inflation?
6. Describe the five major objectives of Monetary Policy.
7. Explain the Instruments of Monetary Policy.
8. Describe the major objectives of Fiscal Policy in a developing country like India.
9. Explain the Instruments of Fiscal Policy.

