

**DIPLOMA EXAMINATION IN ENGINEERING/TECHNOLOGY/MANAGEMENT/  
COMMERCIAL PRACTICE, NOVEMBER - 2023**

**MANAGERIAL ECONOMICS**

[Maximum marks: 75]

[Time: 3 Hours]

**PART A**

**I. Answer all the following questions in one word or one sentence. Each question carries 1 mark.**

**(9 x 1 = 9 Marks)**

		Module outcome	Cognitive level
1	Wealth definition is the contribution of.....	M1.01	R
2	.....is the want satisfying power of a commodity.	M1.04	R
3	The additional utility derived from the consumption of the last unit is termed as.....	M1.05	R
4	.....is a desire backed by ability and willingness to pay for a commodity.	M2.01	R
5	The graphical representation of supply schedule is termed as.....	M2.05	R
6	..... is the process by which inputs are transformed into outputs.	M3.01	R
7	.....means mental or physical work done by a person with a view to earn an income.	M3.01	R
8	.....is the addition to the total revenue by the sale of an additional unit of output	M4.01	R
9	.....is a simple process for determining the selling price of a product or service, based on cost and ensuring a profit.	M4.04	R

**PART B**

**II. Answer any eight questions from the following. Each question carries 3 marks.**

**(8 x 3 = 24 Marks)**

		Module outcome	Cognitive level														
1	Explain the Welfare Definition of economics	M1.01	U														
2	Recall the term human wants	M1.02	R														
3	List the characteristics of land.	M3.01	R														
4	The following table shows Ammu's total utility from the consumption of Choco bar. Calculate the values for marginal utility.	M1.05	A														
	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="width: 15%;">Number of Choco bars</th> <th style="width: 15%;">Total Utility</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">0</td><td style="text-align: center;">0</td></tr> <tr><td style="text-align: center;">1</td><td style="text-align: center;">100</td></tr> <tr><td style="text-align: center;">2</td><td style="text-align: center;">190</td></tr> <tr><td style="text-align: center;">3</td><td style="text-align: center;">270</td></tr> <tr><td style="text-align: center;">4</td><td style="text-align: center;">330</td></tr> <tr><td style="text-align: center;">5</td><td style="text-align: center;">380</td></tr> </tbody> </table>	Number of Choco bars	Total Utility	0	0	1	100	2	190	3	270	4	330	5	380		
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5	Explain the term Giffen's goods.	M2.03	U
6	Illustrate the Production function.	M3.02	U
7	Define the law of demand.	M2.02	R
8	State the meaning of equilibrium price.	M2.05	R
9	Compare oligopoly and duopoly.	M4.02	U
10	Explain the terms (1) Price discrimination (2) Price leadership	M4.04	U

**PART C**

**Answer all questions. Each question carries seven marks**

**(6 x 7 = 42 Marks)**

		Module outcome	Cognitive level
III	Summarize the role of Managerial Economist in business decision making.	M1.01	U
	<b>OR</b>		
IV	Outline different types of goods.	M1.02	U
V	Explain different types of elasticity of demand.	M2.04	U
	<b>OR</b>		
VI	Construct a Demand Schedule and Demand Curve with assumed figures.	M2.02	A
VII	Illustrate internal economies of scale.	M3.04	U
	<b>OR</b>		
VIII	Explain the law of returns to scale	M3.02	U
IX	Compare psychological pricing and dynamic pricing.	M4.04	U
	<b>OR</b>		
X	Distinguish between monopoly and monopolistic competition	M4.03	U
XI	List out the factors affecting the price elasticity of demand.	M2.01	R
	<b>OR</b>		
XII	Compare change in demand and change in quantity demanded with the help of diagram.	M2.02	A
XIII	Illustrate the exceptions to the law of diminishing marginal utility.	M1.05	U
	<b>OR</b>		
XIV	Summarize the scope of Managerial Economics	M1.01	U

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