

Roll.No.

25PCOCT1002

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai - 600 044.

M.Com. - END SEMESTER EXAMINATIONS - NOVEMBER 2025
SEMESTER - I

25PCOCT1002 - Managerial Economics

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. Explain the scope and application of Managerial Economics in business decision-making.
2. Illustrate how Coase's view of the firm helps in understanding the existence and boundaries of firms in real-world markets.
3. Compare and contrast the Cobb-Douglas and CES production functions with respect to their assumptions, elasticity of substitution, and returns to scale.
4. Illustrate the concept of the Law of Variable Proportions using a real-life example from a manufacturing firm. Explain the three stages involved.
5. Explain the differences between the short-run and long-run cost-output relationships with suitable diagrams.
6. Differentiate between internal and external economies of scale with suitable examples.
7. Apply the concept of Full Cost Pricing and Multiple Product Pricing to a company that manufactures and sells a variety of home appliances. Explain how these strategies influence pricing decisions.
8. Evaluate the effectiveness of Hawtrey's Monetary Theory in explaining modern-day business cycles. Provide at least two strengths and two limitations of the theory in your analysis.

Section C

I - Answer any **TWO** questions ($2 \times 10 = 20$ Marks)

9. Apply the Innovation theory, Risk and Uncertainty theory, and Managerial Efficiency theory of profit to analyze how modern firms can achieve and sustain profitability in competitive markets.

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10. Analyze how a firm determines the least-cost combination of inputs using Isoquants and Isocost lines. Explain the role of the Marginal Rate of Technical Substitution (MRTS) in achieving optimal input usage.
11. Evaluate the usefulness of Break-Even Analysis in business decision-making.
12. Evaluate the effectiveness of peak load pricing and competitive bidding as pricing strategies for a public utility company facing fluctuating demand. Based on your analysis, design a suitable pricing strategy that the company can adopt during peak and off-peak hours. Support your answer with examples.

II - Compulsory question (1 × 10 = 10 Marks)

13. Explain the different Phases of Business Cycle.
