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B.B.A. (Third Semester)

Examination, Dec.-Jan., 2025-26

MANAGERIAL ECONOMICS

(BBSC-08)

Time Allowed : Three Hours

Maximum Marks : 70

Note : There are two sections in the given question paper.

Answer all the questions from Section A and B.

(Section–A)

(Objective / Multiple Choice Questions)

Q. 1. Attempt all questions. 10×1=10

Choose the correct answer :

(i) Managerial economics is :

(a) Positive science

(b) Normative science

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(c) Art

(d) All the above

(ii) Opportunity cost refers to :

(a) The cost of missed opportunities

(b) The explicit cost of all item

(c) The total cost of production

(d) The cost incurred due to inflation

(iii) Which policy is used to stabilize business cycle ?

(a) Supply-side policy

(b) Fiscal policy

(c) Expansionary policy

(d) Monetary policy

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(iv) What does PCI represent ?

(a) National income of a country

(b) Income of individuals

(c) Average income per person

(d) Business profit

(v) Accounting profit is calculated as :

(a) Total revenue – Explicit costs

(b) Total revenue – Implicit costs

(c) Total revenue – Fixed costs

(d) Total revenue – Depreciation

(vi) The cost of capital is :

(a) Interest paid to creditors

(b) Minimum return required by investors

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(c) Total assets of the company

(d) Cash flow generated by the firm

(vii) Capital budget is related with :

(a) Capital Expenditure

(b) Daily Expenditure

(c) Casual Expenditure

(d) All of these

(viii) At break-even point :

(a) Fixed cost = Variable cost

(b) Fixed cost + Profit = Contribution

(c) Fixed cost > Contribution

(d) Fixed cost < Variable cost

(ix) Businessman will get profit :

(a) When sales is more than BEP

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(b) When sales is less than BEP

(c) When sales is equal to BEP

(d) All of these

(x) The P/V ratio can be improved by :

(a) Decreasing the selling price per unit

(b) Increasing variable cost

(c) Changing the sales mix

(d) None of these

(Short Answer Type Questions)

Q. 2. Attempt all questions in 100 words. **5×4=20**

(i) What is Managerial Economics ?

(ii) State any two objectives of managerial economics.

(iii) What is a business cycle ?

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(iv) What is the cost of capital ?

(v) What are the features of capital budgeting ?

(Section–B)

(Descriptive Type Questions)

Note : Answer all questions in 350 words. **4×10=40**

Q. 3. Explain the scope of managerial economics in detail.

OR

Explain the role of cost analysis in management decision-making.

Q. 4. Define the business cycle and its importance.

OR

Define national income and explain its various components.

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Q. 5. What are the components of capital ?

OR

Discuss the nature of profit in business.

Q. 6. Define capital budgeting and its process and major steps.

OR

What are the methods of investment decision under certainty, uncertainty and risk ?

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