



**F.Y. B.Voc (RM)**

**1103- Managerial Economics**

**Question Bank**

**Q. A) Fill in the blanks.**

- 1) Business Economics is also known as \_\_\_\_\_
  - a) Managerial economics
  - b) Economics for executives
  - c) Economic analysis for business decisions
  - d) All the Above
- 2) There are \_\_\_\_\_ branches of economics.
  - a) 2
  - b) 3
  - c) 4
  - d) 6
- 3) It is the study of economic actions of individuals and small groups of individuals \_\_\_\_\_
  - a) Micro –Economics
  - b) Macro-economics
  - c) Managerial economics
  - d) Business Economics
- 4) The term 'Economics' includes the following economic activities:
  - a) Greek
  - b) Italic
  - c) Latin
  - d) India
- 5) Demand for a commodity depends on \_\_\_\_\_
  - a) Price of that commodity
  - b) Price of related goods
  - c) Income
  - d) All the above
- 6) Law of Demand establishes \_\_\_\_\_
  - a) Inverse relationship between price and quantity
  - b) Positive relationship between price and quantity
  - c) Both
  - d) None
- 7) Demand of a product should have the following pre-requisite \_\_\_\_\_

- a) Ability to buy
  - b) Willingness
  - c) Need
  - d) All of these
- 8) Cross elasticity of demand between two perfect substitutes will be \_\_\_\_\_
- a) Low
  - b) High
  - c) Zero
  - d) Infinity
- 9) Market demand is aggregation of individual demand \_\_\_\_\_
- a) Vertically
  - b) Horizontally
  - c) Both
  - d) None
- 10) A single point on the demand curve shows \_\_\_\_\_
- a) Demand and supply relationship
  - b) Price and Supply relationship
  - c) Price and Demand Relationship
  - d) None of these
- 11) The fall in the price of one commodity leads to fall in demand for other commodity and vice versa for \_\_\_\_\_
- a) Substitutes
  - b) Complementary
  - c) Both(a) and (b)
  - d) None of the above
- 12) Generally the demand curve has \_\_\_\_\_
- a) A slope downward from left to
  - b) A negative slope
  - c) Both of these
  - d) None of these
- 13) The law of demand can be derived with the help of \_\_\_\_\_
- a) Law of D.M.U. (Diminishing Marginal Utility)
  - b) Law of EMU (Equi-Marginal Utility)
  - c) Any of these two
  - d) None of these
- 14) The relation between price and supply in law is \_\_\_\_\_
- A) Direct
  - B) Inverse
  - C) Proportional
  - D) None of these
- 15) Perfect competition is a market situation where we have \_\_\_\_\_
- a) A single seller
  - b) Two sellers
  - c) Large number of sellers

- d) Few sellers
- 16) The firm can achieve equilibrium when its \_\_\_\_\_
- a)  $MC = MR$
  - b)  $MC = AC$
  - c)  $MR = AR$
  - d)  $MR = AC$
- 17) A Firm and industry are one and the same under \_\_\_\_\_
- a) Perfect competition
  - b) Duopoly
  - c) Oligopoly
  - d) Monopoly
- 18) Homogeneity of product is characteristic of \_\_\_\_\_
- a) Monopoly
  - b) Oligopoly
  - c) Perfect competition
  - d) None of these
- 19) In case of perfect competition, elasticity will be \_\_\_\_\_
- a) 0
  - b) 2
  - c) 3
  - d) Infinity
- 20) Under which of the following forms of market structure a firm does not have control over the price of its product \_\_\_\_\_
- a) Monopoly
  - b) Monopolistic
  - c) Oligopoly
  - d) Perfect Competition

**Q. B) Answer in One Sentence**

- 1) Define Economics.
- 2) Define Managerial Economics.
- 3) What is demand?
- 4) What is supply?
- 5) Define price elasticity of demand.
- 6) What is cross elasticity of demand?
- 7) Define market.
- 8) What is perfect competition?
- 9) What is imperfect competition?
- 10) Define monopoly.
- 11) Define production.
- 12) Define oligopoly.
- 13) Define monopolistic competition.

- 14) Define Economic problem.
- 15) Define price mechanism.
- 16) What is law of demand?
- 17) What is elasticity of demand?
- 18) Define income elasticity of demand.
- 19) What is duopoly?
- 20) Define pricing.

**Q. C) Short Note**

- 1) Features of Demand.
- 2) Objective of demand analysis.
- 3) Assumptions of law of demand.
- 4) Individual demand curve.
- 5) Market Demand Curve.
- 6) Assumptions of the law of supply.
- 7) Characteristics of Market.
- 8) Imperfect Competition.
- 9) Advantages of Monopoly.
- 10) Objectives of managerial economics.
- 11) Perfectly Elastic demand.
- 12) Unitary Elastic demand.
- 13) Elastic demand.

**D) Short Answer Type Questions**

- 1) What do you mean by demand?
- 2) Explain market demand in brief.
- 3) What are the exceptions to the law of demand?
- 4) What is income elasticity of demand?
- 5) State the law of supply.
- 6) List the characteristics of market.
- 7) Give the advantages of perfect competition.
- 8) Explain price discrimination.
- 9) Differentiate between monopoly and oligopoly.
- 10) Give the features of oligopoly.
- 11) Kinked demand curve.
- 12) Characteristic of oligopoly.
- 13) Characteristics of Monopolistic competition.
- 14) Characteristic of monopoly market.
- 15) Determinants of market structure.
- 16) Market classification on the basis of competition.
- 17) Characteristics of Market.
- 18) Assumptions of law of demand.

- 19) Importance of demand.
- 20) Features of demand.
- 21) Explain Demand curve.
- 22) Types of price elasticity.
- 23) Advantages of perfect competition.
- 24) Difference between monopolistic competition and perfect competition.

**Q. E) Long Answer Type Questions**

- 1) Explain the various types of elasticity of demand and how it is measured.
- 2) Define Managerial Economics explain its scope and importance of managerial decisions.
- 3) Explain Managerial Economics and explain its nature.
- 4) Define demand analysis and explain its types.
- 5) Explain the determinants of Market Demand.
- 6) Why does demand curve slope downwards?
- 7) Explain characteristics and advantages of perfect competition.
- 8) Define monopolistic competition and explain its characteristics.
- 9) Explain macro and micro economics.
- 10) Define demand and explain its features and objectives.
- 11) Explain the types of elasticity of demand.
- 12) Explain the exceptions to the law of demand.
- 13) Explain the characteristics of market and its determinates of market structure.
- 14) Explain the characteristics of monopolistic competition and its advantages.
- 15) Explain the basic economics problems.
- 16) Explain industry demand versus firm demand.
- 17) Write detail on factors affecting supply.