**MEFA IMP QUESTIONS**

1.Define managerial economic. Explain the nature & scope of managerial economics?

2. What is Elasticity of Demand? Explain how do you measure elasticity of Demand?

3. Define Break-even point and explain in detail BEP with assumptions and chart?

4. Explain production function with one variable input factor?

5. What is Perfect Competition? What are the features of Perfect Competition?

6. What is market? Explain in detail the various types of markets based on competition

7. Define managerial economic. Explain the interdisciplinary of managerial economics?

8. What is demand forecasting? What are the factors influencing demand forecasting?

9.

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **A** firm has declared the following details about its sales:   |  |  |  | | --- | --- | --- | |  | Year 1 | Year 2 | | Sales (Rs.) | 1,50,000 | 1,50,000 | | Profit (Rs.) | 15,000 | 25,000 |   a) Calculate PV Ratio. (b) Find out the firm’s BEP (c) How much should the company produce and sell to earn profit of Rs.50, 000? |

10. Define economies of scale? Discuss the economies of scale that accrue to a firm?

11. Explain how price is determined under perfect competition.

12. What is monopolistic competition? How the price is determined under monopolistic competition?

**MEFA BITS**

1. Which subject bridges gap between Economic Theory and Management Practice? ( )

(a) Managerial Economics (b) Micro Economics

(c) Welfare Economics (d) Macro Economics

2. Application of Economics for managerial decision-making is called . ( )

(a)Macro Economics ( b) Managerial Economics

(c) Welfare Economics (d) Micro Economics

3. Which areas covered by the subject “Managerial Economics”. ( )

(a)Operational issues (b) Environmental issues

(c) Operational & Environmental issues (d) None

4. Managerial Economics is close to Economics ( )

(a) National (b) Industrial (c) Business (d) Micro

5. Making decisions and processing information are the two Primary tasks of

the Managers . It was explained by the subject . ( )

(a)Managerial Economics (b) Engineering Science

(c) Physics (d) Chemistry

6. Managerial Economics is close to Economics ( )

(a) National (b) Micro (c) Business (d) Industrial

7. \_\_\_\_\_\_costs are theoretical costs, which are not recognized by the accounting system ( )

(a) Past (b) Explicit

(c) Implicit (d) Historical

8. \_\_\_\_\_cost is the additional cost to produce an additional unit of output. ( )

(a) Incremental (b) Sunk

(c) ) Total (d Marginal

9. Which subject studies the behavior of the firm in theory and practice? ( )

(a) Managerial Economics (b) Macro Economics

(c) Micro Economics (d) Welfare Economics

10. \_\_\_\_\_\_\_ costs are the costs, which are varies with the level of output. ( )

(a) Fixed (b) Variable

(c)Past (d) Historical

11. \_\_\_\_\_\_\_ costs are those business costs, which do not involve any cash payment. ( )

(a) Past (b) Historical

(c) Implicit (d) Explicit

12. The opposite of past cost is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. ( )

(a) Historical (b) Fixed cost

(c)Variable cost (d) Future cost

13. \_\_\_\_\_ is a period during which the existing physical capacity of the firm can be changed. ( )

(a) Long period (b) Short period

(c)Market period (d) Medium period

14. \_\_\_\_\_\_ is a place in which goods and services are bought and sold. ( )

(a) Factory (b)Market

(c) Workshop (d) Warehouse

15. What is the formula for Profit-Volume Ratio? ( )

Sales Variable cost

(a) --------------- X 100 (b) ----------------- X 100

Contribution Sales

Contribution Fixed cost

(c) --------------- X 100 (b) ----------------- X 100

Sales Sales

16. \_is a position where the firm has no incentive either to expand or contrast its output ( )

(a) Maximum output (b) Minimum output

(c) None (d) Equilibrium

17. Which of the following markets have the fewest number of firms? ( )

( a) Monopoly (b) Perfect competition (c) Oligopoly (d) Monopolistic competition

18. If average Revenue is greater than the Average cost, monopolist earns

(a) Loss (b) Profit

(c) No loss No profit (d) None

19. The firm is said to be in equilibrium, when it’s Marginal Cost (MC) equals to\_\_\_( )

(a) Total cost (b) Total revenue

(c) Marginal Revenue (d) Average Revenue

20. Which of the following market types has only a few competing firms? ( )

(a) perfect competition (b) monopolistic competition (c) monopoly (d) oligopoly

1. A differentiated product has ( )   
   (a) close but not perfect substitutes (b) many perfect substitutes.  
   (c) no close substitutes. (d) no substitutes of any kind

2.2 If average Revenue is greater than the Average cost, monopolist earns ( )

(a) Loss (b) Profit

(c) No loss No profit (d) None

23. The firm is said to be in equilibrium, when it is Marginal Cost (MC) equals to\_\_( )

(a) Total cost (b) Total revenue

(c) Marginal Revenue (d) Average Revenue

24. \_\_\_\_\_\_\_ is a position where the firm has no incentive either to expand or contrast its output ( )

(a) Maximum output (b) Minimum output

(c) None (d) Equilibrium

25. \_\_\_\_\_ is a period during which the existing physical capacity of the firm can be changed. ( )

(a) Long period (b) Short period

(c)Market period (d) Medium period

26. \_\_\_\_\_\_ is a place in which goods and services are bought and sold. ( )

(a) Factory (b)Market

(c) Workshop (d) Warehouse

27. What is the formula for Profit-Volume Ratio? ( )

Sales Variable cost

(a) --------------- X 100 (b) ----------------- X 100

Contribution Sales

Contribution Fixed cost

(c) --------------- X 100 (b) ----------------- X 100

Sales Sales

28. Which of the following is the best example of a perfectly competitive market? ( )

(a) diamonds (b) athletic shoes (c) soft drinks (d) farming

29. Which subject studies the behavior of the firm in theory and practice? ( )

(a) Managerial Economics (b) Macro Economics

(c) Micro Economics (d) Welfare Economics

30. \_\_\_\_\_\_\_ costs are the costs, which are varies with the level of output. ( )

(a) Fixed (b) Variable

(c)Past (d) Historical

31. \_\_\_\_\_\_\_ costs are those business costs, which do not involve any cash payment.( )

(a) Past (b) Historical

(c) Implicit (d) Explicit

32. The opposite of Past cost is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. ( )

(a) Historical (b) Fixed cost

(c)Variable cost (d)Future cost

33. Which of the following market types has all firms selling products so identical that buyers do not care from  
which firm they buy? ( )

(a) perfect competition (b) oligopoly (c) monopolistic competition (d) monopoly

34. Managerial Economics is close to Economics ( )

(a) National (b) Micro (c) Business (d) Industrial

35. \_\_\_\_\_\_costs are theoretical costs, which are not recognized by the accounting system ( )

(a) Past (b) Explicit

(c) Implicit (d) Historical

36. \_\_\_\_\_cost is the additional cost to produce an additional unit of output. ( )

(a) Incremental (b) Sunk

(c) Total (d) Marginal

37. In perfect competition, a firm maximizes profit in the short run by deciding  
 (a) how much output to produce. (b) whether or not to enter a market.  
 (c) what price to charge. (d) how much capital to use

38. Application of Economics for managerial decision-making is called . ( )

(a)Macro Economics ( b) Managerial Economics

(c) Welfare Economics (d) Micro Economics

39. Which of the following is an example of a monopolistically competitive industry?  
 (a) Wheat farming (b) the local electricity producer

(c) Colleges and universities (d) the domestic automobile producing industry

40. Which of the following markets have the fewest number of firms?

( a) Monopolistic competition (b) Perfect competition (c) Oligopoly (d) Monopoly