

FIRST SEMESTER M.B.E. DEGREE EXAMINATION, DECEMBER 2019

(CUCSS)

Master of Business Economics

MBE 1C 01—MICROECONOMIC ANALYSIS

(2015 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Section A (Short Answers)*Answer all the questions.**Each question carries weightage of 1.*

1. Cross elasticity of demand.
2. Income constraint.
3. Linear homogeneous production function.
4. Monopsony.
5. Collusive oligopoly.
6. Reserve capacity.
7. Envelope curve.
8. Negative externality.
9. Monopolistic competition.
10. Factor pricing.
11. Economies of information.
12. Welfare economics.
13. Demand forecasting.
14. Ordinal utility.

(14 × 1 = 14 weightage)

Section B (Short Essays)*Answer any seven questions.**Each question carries a weightage of 2.**The answer should not exceed one and half pages each.*

15. Explain the types of cost.
16. Explain the features of oligopoly.

17. Explain Pareto-optimality.
18. Explain price consumption curve.
19. Explain degrees of price discrimination.
20. Explain the forms of price leadership.
21. Explain the output determination under monopolistic competition.
22. Explain price rigidity under oligopoly.
23. Explain the significance of 'L' shaped cost curve.
24. What do you mean by full cost pricing ?

(7 × 2 = 14 weightage)

Section C (Essays)

Answer any two questions.

Each question carries a weightage of 4.

The answers shall not exceed three pages.

25. Discuss the forms of market structure.
26. Discuss CES production function.
27. Explain collusive models.
28. Explain market for lemon.

(2 × 4 = 8 weightage)

**FIRST SEMESTER M.B.E. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, NOVEMBER 2020**

(CBCSS)

Master of Business Economics

MBE 1C 01—MICRO ECONOMIC ANALYSIS

Time : Three Hours

Maximum : 30 Weightage

General Instructions

1. *In cases where choices are provided, students can attend all questions in each section.*
2. *The minimum number of questions to be attended from the Section / Part shall remain the same.*
3. *There will be an overall ceiling for each Section / Part that is equivalent to the maximum weightage of the Section / Part.*

Part A

Answer all questions.

Each bunch of five questions carries a weightage of 1.

1. The _____ occurs when each player has chosen his or her optimal strategy, given the strategy.
 - a) Dominant strategy.
 - b) Mixed strategy.
 - c) Sequential game.
 - d) Nash equilibrium.
2. The expenditure that has been made and cannot be recovered is known as :
 - a) Implicit cost.
 - b) Sunk cost.
 - c) Explicit cost.
 - d) Historical cost.
3. Elasticity of substitution between factors in Cobb Douglas production function is equal to :
 - a) One.
 - b) Zero.
 - c) Greater than one.
 - d) Less than one.
4. Kinked demand curve model is given by :
 - a) Hall and Hitch.
 - b) P.M.Sweezy.
 - c) Chamberline.
 - d) Singer.

Turn over

5. Which of the following is a problem connected with general equilibrium analysis ?
- a) Existence problem.
 - b) Stability problem.
 - c) Uniqueness problem.
 - d) All of the above.
6. The condition of Pareto Optimality holds correct under :
- a) Oligopoly.
 - b) Monopoly.
 - c) Perfect competition.
 - d) Bilateral monopoly.
7. Adverse selection arises because of :
- a) Externality.
 - b) Asymmetric information.
 - c) Uncertainty of future.
 - d) Wrong information.
8. Price wars are most likely when there is a :
- a) Monopoly.
 - b) Oligopoly.
 - c) Perfect competition .
 - d) Monopsony.
9. The Market for Lemons is attributed with :
- a) George A Akerlof.
 - b) Michael Spence.
 - c) Kenneth Arrow.
 - d) Charles Tiebout.
10. Pigouvian welfare condition state that, increase in national income leads to :
- a) Wealth of the society.
 - b) Economic welfare.
 - c) Standard of living.
 - d) Population.
11. The marginal utility of money diminishes for a decision maker who is :
- a) Risk seeker.
 - b) Risk neutral.
 - c) Risk averter.
 - d) In a situation of uncertainty.
12. The General Theory of Second Best is written by :
- a) James E. Meade.
 - b) Kelvin Lancaster and Richard G. Lipsey.
 - c) Kenneth J Arrow.
 - d) James C Moore.

26. 'Demand curve facing a firm work in an oligopolistic market is indeterminate'. Examine the validity of the statement.
27. Describe the properties of Cobb Douglas Production function.
28. Critically evaluate Arrows Impossibility theorem.
29. Examine Friedman Savage hypothesis.
30. Explain the rationale behind the formation of L shaped Long run average cost curve.
31. How principle agent problem can be solved ?
32. What are the implications of theory of second best ?
33. Explain Prisoner's dilemma.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any two questions.

Each question carries a weightage of 4.

34. Explain the modern theory of costs.
35. Discuss the Kaldor Hicks Compensation criteria. How Scitovszky provided an alternative for the loopholes in the model ?
36. Differentiate between Cournot and Bertrand model of Oligopoly.
37. Evaluate dynamic theories of demand.

(2 × 4 = 8 weightage)

**FIRST SEMESTER M.B.E. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, NOVEMBER 2020**

(CBCSS)

Master of Business Economics

MBE 1C 02—STATISTICS FOR BUSINESS

Time : Three Hours

Maximum : 30 Weightage

General Instructions

1. *In cases where choices are provided, students can attend **all** questions in each section.*
2. *The minimum number of questions to be attended from the Section / Part shall remain the same.*
3. *There will be an overall ceiling for each Section / Part that is equivalent to the maximum weightage of the Section / Part.*

Part A

*Answer **all** questions.*

*Each bunch of **five** questions carries a weightage of 1*

Multiple Choices :

1. Arrangement of number of objects in a definite order is known as :
 - a) Combination.
 - b) Computation.
 - c) Permutation.
 - d) Parameter.
2. Chi-square test was devised by :
 - a) W. S. Gosset.
 - b) Karl Pearson.
 - c) R.A. Fisher.
 - d) Leontief.
3. Sampling distribution is known as :
 - a) Probability distribution.
 - b) Normal distribution.
 - c) Poisson's distribution.
 - d) Binomial distribution.
4. The technique of ANOVA was developed by :
 - a) W. S. Gosset.
 - b) Karl Pearson.
 - c) R.A. Fisher.
 - d) Leontief.

Turn over

5. A probability distribution expressing the probability of one set of dichotomised alternatives is called :
- a) Probability distribution.
 - b) Normal distribution.
 - c) Poisson's distribution.
 - d) Binomial distribution.
6. A bell-shaped normal curve is always :
- a) Increasing.
 - b) Decreasing.
 - c) Symmetrical.
 - d) Asymmetrical.
7. The multiplication theorem cannot be applicable in the case of :
- a) Independent events.
 - b) Dependent events.
 - c) Simple events.
 - d) Mutually exclusive events.
8. A company received 10 applications for 4 posts. Then how many ways 4 people can be selected from the ten applications ?
- a) 2050.
 - b) 5040.
 - c) 3040.
 - d) 6040.
9. In how many different ways the letter of the word UNIVERSITY be rearranged ?
- a) 16,14,400.
 - b) 17,14,400.
 - c) 18,14,400.
 - d) 19,14,400.
10. Which among the following is a non-parametric test ?
- a) Sign test.
 - b) Kruskal Wallis test.
 - c) Wald-Wolfowitz test.
 - d) All the above.
11. Co-efficient of correlation will be always :
- a) More than 1.
 - b) More than -1 .
 - c) Less than -1 .
 - d) Between -1 and $+1$.
12. Null hypothesis means :
- a) There is no difference in the sample and the population parameter.
 - b) There is significant difference in the sample and the population parameter.
 - c) The sample mean and variance will be same.
 - d) None of the above.

26. Briefly write on desirable properties of a good estimators.
27. What is the probability that all 3 children in a family have different birthdays ?
28. A batch contains 10 articles of which 4 are defective. If 3 articles are chosen at random, what is the probability that none of them is defective ?
29. Write a short note on goodness of fit.
30. Briefly discuss the properties of mathematical expectation.
31. Explain the ANOVA. Write the one-way classification of ANOVA.
32. Explain the central limit theorem.
33. A bag contains 7 red and 5 white balls. 4 balls are drawn at random. What is the probability that
i) All of them are red ; ii) 2 of them are red and 2 white ?

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any two questions.

Each question carries a weightage of 4

34. Two boxes contain respectively 4 white and 2 black, and 1 white and 3 black balls. One ball is transferred from the first box into the second, and then one ball is drawn from the latter. It turns out to be black. What is the probability that the transferred ball was white ?
35. Three lots contain respectively 10 %, 20 % and 25% defective articles. One article is drawn at random from each lot. What is the probability that among them if there is i) exactly one defective ii) at least one defective ?
36. What do you mean by non-parametric test ? What are the various non parametric tests and explain its application in testing hypothesis ?
37. Write an elaborate note on the various methods of estimation.

(2 × 4 = 8 weightage)

**FIRST SEMESTER M.B.E. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, NOVEMBER 2020**

(CBCSS)

Master of Business Economics

MBE 1C 03—PRINCIPLES OF BUSINESS FINANCE AND ACCOUNTING

Time : Three Hours

Maximum : 30 Weightage

General Instructions

1. *In cases where choices are provided, students can attend all questions in each section.*
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Part A

Answer all questions.

Each bunch of five questions carries a weightage of 1

1. As per the accounting double-entry system, an account that receives the benefit is :
 - a) No need to show as an accounting record.
 - b) Income.
 - c) Debit.
 - d) Credit.
2. The role of financial accounting is primarily to :
 - a) Support the strategic management of the company.
 - b) Manage and control corporate funds.
 - c) Ensure that a company does not pay too much corporation tax.
 - d) Assist the company in meeting its legal and financial reporting requirements.
3. Financial strategies for companies having too little debt do not include:
 - a) Investment.
 - b) Share buy-back.
 - c) Special dividend.
 - d) Sale of assets.
4. The relative proportions of debt and equity in a company's financing are :
 - a) $E/(E + D) \times D/(E + D)$.
 - b) $(E + D)/E \times (E + D)/D$.
 - c) $E/(E + D) + D/(E + D)$.
 - d) $(E + D)/E + (E + D)/D$.

Turn over

5. When there is an increase in capital by an amount, it is registered on the :

- a) Credit or right side of the account.
- b) Debit or left side of the account.
- c) Credit or left side of the account.
- d) Debit or right side of the account.

6. Financial strategy :

- a) Does not consider dividend policy.
- b) Does not consider interest rate risk.
- c) Considers capital structure decisions.
- d) Considers the same things as business strategy.

7. For a machine that cost Rs. 50,000 and has residual value of zero, the following costs and revenues are expected to be derived over its life of 4 years :

	Revenue per annum	Cost per annum
Years 1–3	Rs. 30,000	Rs. 10,000
Year 4	Rs. 25,000	Rs. 20,000

The cost of capital is 10 %

In which year does the project pay back ?

- a) 2.
- b) 4.
- c) 3.
- d) 1.

8. The balance sheet shows :

- a) The financial position of the business.
- b) The financial performance and the financial position of the business.
- c) The financial performance of the business.
- d) The cash flow of the business.

9 The IRR (internal rate of return) method used to compare two investment projects :

- a) Ignores the size of each of the projects.
- b) Always provides only one IRR for each project.
- c) Is not shown as a percentage.
- d) Is based on accounting profits.

10. Loans to limited companies :
- a) Do not have a fixed term but receive interest which is allowable for corporation tax, and have voting rights.
 - b) Have a fixed term and receive interest which is allowable for corporation tax, but have no voting rights.
 - c) Do not have a fixed term and receive interest which is allowable for corporation tax, but have no voting rights.
 - d) Have a fixed term and receive interest which is not allowable for corporation tax, but have no voting rights.
11. The agency problem is concerned with the relationship between :
- a) Shareholders and directors.
 - b) Customers and suppliers.
 - c) Employees and managers.
 - d) Companies and suppliers.
12. The working capital requirement (WCR) is :
- a) Working capital plus short-term debt plus cash.
 - b) Working capital less short-term debt less cash.
 - c) Inventories plus trade receivables less trade payables plus prepayments less accruals.
 - d) Inventories plus trade receivables less trade payables.
13. Performance review of a business must:
- a) Compare against the performance of a similar business within its industrial sector.
 - b) Compare against the performance of a similar business outside its industrial sector.
 - c) Compare against an appropriate standard for comparison.
 - d) Compare against a business of similar size.
14. External sources of finance do not include :
- a) Debentures.
 - b) Overdrafts.
 - c) Leasing.
 - d) Retained earnings.
15. The statement of cash flows tells us :
- a) The financial position of the business at a point in time.
 - b) The forecast cash movements over a period of time.
 - c) How much profit the business has made during an accounting period.
 - d) How cash has been generated and used during an accounting period.

(15 × 1/5 = 3 weightage)

Turn over

Part B (Very Short Answer Questions)

Answer any five questions.

Each question carries a weightage of 1.

16. What is historical cost principle ?
17. Define Weighted Average cost of capital.
18. What is financial leverage ?
19. Define Capital structure.
20. What is meant by Underwriting of Issues ?
21. What are convertible debentures ?
22. What is referred to as Underwriting of Issues ?
23. Define IRR.

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

Answer any seven questions.

Each question carries a weightage of 2.

24. Explain Project Financing.
25. Distinguish between operating risk and financial risk.
26. Evaluate Profitability Index.
27. How does cost of debt is calculated ?
28. What is Breakeven analysis ?
29. Explain the degree of Financial Leverage.
30. What is Leverage ratio ?
31. What is the significance of Shareholders' Wealth Maximization ?
32. Explain the term Risk-Adjusted Discount Rate.
33. Write a short note on trial balance.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any two questions.

Each question carries a weightage of 4.

34. Explain the theory of Capital market efficiency.
35. Discuss in detail the components of Profit and Loss account.
36. Examine the dividend relevance propounded by Walter.
37. Describe in detail the ABC Prioritization in Inventory Control.

(2 × 4 = 8 weightage)

**FIRST SEMESTER M.B.E. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, NOVEMBER 2020**

(CBCSS)

Master of Business Economics

MBE 1C 04—ORGANISATIONAL BEHAVIOUR AND DEVELOPMENT

(2019 Admissions)

Time : Three Hours

Maximum : 30 Weightage

General Instructions

1. *In cases where choices are provided, students can attend **all** questions in each section.*
2. *The minimum number of questions to be attended from the Section / Part shall remain the same.*
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Part A

*Answer **all** questions.*

Each bunch of 5 questions carries a weightage of 1.

1. The four main dimensions which influence behaviour in work organisations are :
 - (a) Individual, organisation, group, gender.
 - (b) Individual, group, organisation, environment.
 - (c) Group, environment, organisation, gender.
 - (d) Environment, group, individual, gender.
2. Which of the following will influence an individual's perceptions ?
 - (a) Sensory limitations.
 - (b) Previous experiences.
 - (c) Individual needs.
 - (d) All of the above.
3. Equity theory of motivation focuses on :
 - (a) People's expectation of the different outcomes for a given action.
 - (b) The motivational force involved in a person's actions at work.
 - (c) The fact that people are influenced by the expected results of their actions.
 - (d) People's perception of how they should perform in a given situation at work.

Turn over

4. Reasons for the formation of groups include :
- (a) The provision of protection for its membership.
 - (b) The performance of certain tasks which can be performed only through combined efforts of individuals working together.
 - (c) The provision of guidelines on generally acceptable behaviour.
 - (d) All of the above.
5. The team-role which is likely to demonstrate such positive qualities as imagination and creativity but may show disregard for practical details is :
- (a) Plant.
 - (b) Specialist.
 - (c) Team Worker.
 - (d) Shaper.
6. The risky-shift phenomenon means that there is a tendency for groups to make decisions which are ——— than those which individual members would make.
- (a) More risky.
 - (b) Less consistent.
 - (c) More conservative.
 - (d) Less risky.
7. Which of the following is an assumption of Theory Y ?
- (a) Given the right conditions, the average worker can learn to accept responsibility.
 - (b) The capacity for creativity in solving organizational problems is distributed widely in the population.
 - (c) Commitment to objectives is a function of rewards associated with their achievement.
 - (d) All of the above.
8. Which of the following is NOT a measure of a manager's effectiveness ?
- (a) Accidents at work.
 - (b) Level of staff turnover.
 - (c) Speed of promotion through the organisation.
 - (d) Absenteeism and sickness.
9. ——— occurs when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about.
- (a) Incompatibility.
 - (b) Friction.
 - (c) Conflict.
 - (d) None of the above.

10. _____ forms of conflict support the goals of the group and improve its performance.
- (a) Dysfunctional. (b) Concordant.
(c) Functional. (d) Relationship.
11. _____ variables include semantic difficulties, misunderstandings, and noise in communication channels.
- (a) Structure. (b) Personal.
(c) Controlled. (d) Communication.
12. In _____, the intention of the parties is to solve the problem by clarifying differences rather than accommodating various points of view.
- (a) Avoiding. (b) Competing.
(c) Collaborating. (d) Accommodating.
13. _____ are evaluative statements, either favourable or unfavourable, concerning objects, people, or events.
- (a) Beliefs. (b) Theories.
(c) Attitudes. (d) Norms.
14. According to expectancy theory, which of the following factors lead to good performance ?
- (a) The individual must have the requisite ability to perform.
(b) The performance appraisal system must be perceived as fair.
(c) The rewards must be desirable to the employee.
(d) All of the above.
15. Which of the following comments was made by a Theory X manager ?
- (a) Employees dislike work.
(b) Employees will exercise discretion.
(c) The average person will seek responsibility.
(d) Employees can view work as natural as rest or play.

(15 × 1/5 = 3 weightage)

Part B (Very Short Answer Questions)

*Answer any five questions.
Each question carries a weightage of 1.*

16. State expectancy theory.
17. What is the nature of organisational behaviour ?

Turn over

18. Define a group.
19. What is downsizing ?
20. What is the key role of organisational development ?
21. What is organisational diagnosis ?
22. Bring out the internal factors affecting perception ?
23. Differentiate between self-inside and self-outside.

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

*Answer any seven questions.
Each question carries a weightage of 2.*

24. Examine the ERG theory of motivation.
25. What is compromising or lose-lose style?
26. Discuss the concept dysfunctional conflict.
27. Describe the type theories.
28. What are the different types of planned change ?
29. What are the important aspects of motivation ?
30. Distinguish between positive attitude and negative attitude towards conflict
31. Describe the different types of Formal Groups.
32. Discuss in detail the stages mentioned in Lewin's change model.
33. Discuss the McGregor's Theory X and Theory Y.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

*Answer any two questions.
Each question carries a weightage of 4.*

34. Discuss in detail the different theories of Learning.
35. Enumerate the steps the managers should follow while building a team.
36. Discuss in detail the different types of conflict.
37. Describe in detail the Maslow's Need Hierarchy Theory.

(2 × 4 = 8 weightage)

**FIRST SEMESTER M.B.E. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, NOVEMBER 2020**

(CBCSS)

Master of Business Economics

MBE 1C 05—PROJECT APPRAISAL AND IMPACT ANALYSIS

Time : Three Hours

Maximum : 30 Weightage

General Instructions

1. *In cases where choices are provided, students can attend all questions in each section.*
2. *The minimum number of questions to be attended from the Section / Part shall remain the same.*
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Part A

Answer all questions.

Each bunch of five questions carries a weightage of 1.

1. The analysis that examines the effect of an event on the economy in a specified area is :
 - (a) Economic Impact Analysis.
 - (b) Environmental Impact Analysis.
 - (c) Social Cost Analysis.
 - (d) None of these.
2. Input-output model is one of the best methodologies for ————.
 - (a) Social Cost Analysis.
 - (b) Economic Impact Analysis.
 - (c) Environmental Impact Analysis.
 - (d) None of these.
3. The sequence of phase that a project goes through from its initiation to its closure is called :
 - (a) Project finance.
 - (b) Project management.
 - (c) Project cycle.
 - (d) None of these.
4. ———— is the possible impact changes on a project, system, or entire infrastructure when an implementation does not work as anticipated.
 - (a) Technical risk.
 - (b) Price risk.
 - (c) Operational risk.
 - (d) None of these.
5. A ———— study assesses the practicality of a proposed plan or project.
 - (a) Technical.
 - (b) Feasibility.
 - (c) Economic.
 - (d) Social.

Turn over

6. A comprehensive, common and stable set of risk categories that is used within organisation is called :
- (a) Risk taxonomy. (b) Environmental analysis.
(c) Economic risk. (d) None of these.
7. Which of the following is not a method of generating ideas ?
- (a) Focus groups. (b) Brainstorming.
(c) Reverse brainstorming. (d) Manipulation.
8. The concept of developing and managing a business venture in order to gain profit by taking several risks in the corporate world.
- (a) Entrepreneur. (b) Producer.
(c) Manager. (d) Entrepreneurship.
9. The quantitative and qualitative assessment of market is called :
- (a) Economic analysis. (b) Market analysis.
(c) Business environment. (d) None of the above.
10. The practice of assigning a monetary value to an item or service that is not ordinarily bought and sold in any market place.
- (a) Shadow pricing. (b) Willingness to pay.
(c) Revealed preference. (d) Contingent valuation.
11. The work performance of the subordinate is examined and discussed, with a view to identifying opportunities for improvement is :
- (a) Evaluation. (b) Performance appraisal.
(c) Assessment. (d) Project management.
12. Which of the following is not a method of Environment Impact Assessment ?
- (a) Ad hoc methods. (b) Checklists.
(c) Value judgement. (d) Rapid assessment.
13. Capital projects which compete directly with each other :
- (a) Exclusive project. (b) Inclusive project.
(c) Social project. (d) Mutually exclusive project.
14. Resources refer to :
- (a) Natural. (b) Machinery.
(c) Human. (d) All of the above.

15. Risk identification is one of the major components of :
- (a) Risk management. (b) Innovation.
(c) Invention. (d) None of these.

(15 × 1/5 = 3 weightage)

Part B (Very Short Answer Questions)

*Answer any five questions.
Each question carries a weightage of 1.*

16. What is programme evaluation ?
17. Define venture capital.
18. What is infrastructure finance ?
19. What is meant by technology leverage strategy ?
20. Discuss the difference between Little- Mirrlees and UNIDO approaches.
21. What is Environmental Impact Assessment ?
22. What is a mutually exclusive decision ?
23. Explain the risk bearing concept of entrepreneurship.

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

*Answer any seven questions.
Each question carries a weightage of 2.*

24. What are the characteristics of market analysis?
25. Identify the various sources of infrastructure finance.
26. Describe the various project quality factors.
27. Assess the causes of the risk in large projects.
28. Discuss the various types of decisions.
29. Discuss the different phases of project cycle.
30. Explain the steps in appraisal process adopted by Planning Commission.
31. What are the factors affecting project selection ?
32. Discuss the types of feasibility study.
33. Explain the various uncertainty mitigation strategies.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

*Answer any two questions.
Each question carries a weightage of 4.*

34. Discuss the various techniques of risk analysis.
35. What is project appraisal? Discuss the steps and techniques involved in project appraisal ?
36. Analyse the welfare aspects of project management.
37. Explain the process of market analysis.

(2 × 4 = 8 weightage)

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