

LAGOS CITY POLYTECHNIC, IKEJA

1. (a) Managerial Economics is the integration of economic theory with business practices for the purpose of facilitating decision making and forward planning by management.

SCHOOL OF MANAGEMENT AND BUSINESS STUDIES

DEPARTMENT OF GENERAL STUDIES

Discuss

2016/2017 SEMESTER EXAMINATION

(b) Identify at least three (3) ways the knowledge of managerial economics has been useful in business decision.

COURSE TITLE: MANAGERIAL ECONOMICS I NO OF QUESTION: 6
COURSE CODE: HBF 417/BAM 412 TIME: ALLOWED: 2HRS

2. Assume a market consists of 3 people whose demand for a product are as follows:
 FOR WHOM: HND YR I AC PT
 INSTRUCTIONS: Answer any 2.5p

1. (a) Managerial Economics is the integration of economic theory with business practices for (i) Find the market demand and price that each should be sold. (ii) What is the share of each buyer.

3. (a) Explain Baumols theory of sales revenue maximization. (b) Identify at least three (3) ways the knowledge of managerial economics has been useful in what is this theory superior to the conventional theory based on the maximization hypothesis.

2. Assume a market consists of 3 people whose demand for a product are as follows:
 (a) Assuming a price function as $P = 90 - Q$ and a cost function as $C = 10 + 0.5Q^2$.
 (b) Profit maximizing output and price.
 (c) Maximizing if the industry supply is 1400 units:
 (i) Find the market demand and price that each should be sold.
 (ii) Maximizing is the share of each buyer.

4. (a) What is production function?
 3. (a) Explain Baumols theory of sales revenue maximization.
 (b) Outline factors of production and their economic reward
 (b) In what is this theory superior to the conventional theory based on the maximization hypothesis.

(c) Using the table below:

Find (c) Assuming a price function as $P = 90 - Q$ and a cost function as $C = 10 + 0.5Q^2$

Fixed (i) Calculate: the Marginal Cost, Average Total Cost, Average and Fixed Cost, Total Costs and profit.
 (ii) Maximizing and Total Variable profit.

4. (a) What is production function?
 (a) Define demand forecasting and distinguish between qualitative and quantitative forecasting.
 (b) Outline factors of production and their economic reward
 (b) Supposed a linear relationship exist between students intake and sales of pocket calculators in LCP. Using the table below:
 (c) Using the table below:

sales if the admission intake for the next session would be 2,500 students.

Fixed Calculators

Calculate: the Marginal Cost, Average Total Cost, Average Fixed Cost, Total sales and

| | | | | | | | | |
|------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Output | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Total Cost | 150 | 250 | 280 | 310 | 330 | 350 | 390 | 490 |

2010 2011 2012 2013 2014 2015 2016 2017

200 200 300 400 500

600 800 1000

