NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2021_1 EXAMINATION

COURSE TITLE: MANAGERIAL ECONOMICS
COURSE CODE: ECO 332
UNITS: 2
TIME ALLOWED: 2 HOURS

INSTRUCTION: ANSWER ANY THREE QUESTIONS

QUESTION ONE

(a). Differentiate between Accounting Profit and Economic Profit. **(5.3marks)**

(b). List and explain five (5) theories of Profit. **(10marks)**

(c). Profit maximization objective helps in predicting the behaviour of business firms in the real world, as well as in predicting the behaviour of price and output under different market conditions. Do you agree? Discuss. **(8marks)**

(23.3marks)

QUESTION TWO

(a). list and explain the Sales Revenue Maximization as Business Objective. **(8.3marks)**

(b). How does Managerial Economics Differ from Economics? **(8marks)**

(c). Explain the term 'Decision Analysis' **(7marks)**

QUESTION THREE
Suppose a firm has to supply a combined order of 500 units of products X and Y. The joint cost function for the two products is given by:
$C = 100X^2 + 150Y^2$. You are required to calculate:
   (i) Value of X and Y   **(17marks)**
   (ii) The minimum cost of supplying the combined 500 units of products X and Y.
         (6.3marks)

QUESTION FOUR

(a). What are the types of demand determinants? **(10.3marks)**
(b). What is the difference between Perfect Competition and Pure Competition? **(7marks)**
(c). Examine the view that the market for food is more beneficial to consumers if dominated by a monopoly retailer (supermarket) rather than by a large number of small shops operating under monopolistic competition. **(6marks)**

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