

CBCS SCHEME

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20MBA12

First Semester MBA Degree Examination, July/August 2022

Managerial Economics

Time: 3 hrs.

Max. Marks:100

**Note: 1. Answer any FOUR full questions from Q.No.1 to 7.
2. Q.No. 8 is compulsory.**

- 1 a. What do you mean by Managerial Economics? (03 Marks)
b. Discuss the roles and responsibility of the Managerial Economist in the present world of competitive environment in achieving the objective of the organization. (07 Marks)
c. Enumerate the alternative objectives of the firm and explain Baumol's model. (10 Marks)
- 2 a. What is the meaning of Elasticity of Demand? Name the methods used to measure the Elasticity of Demand. (03 Marks)
b. Elucidate the use of Elasticity of Demand in managerial decision making. (07 Marks)
c. Define Price Elasticity of demand. Discuss the types of Price Elasticity of demand and add a note on methods of demand forecasting. (10 Marks)
- 3 a. What do you mean by ISO-Quants and ISO-Cost? (03 Marks)
b. XYZ company sales were Rs. 15000 giving a profit of Rs. 400 in a week. Sales increased to Rs. 19000, giving a profit of Rs. 1200. Calculate the BEP. (07 Marks)
c. Write the meaning of Total Cost, Average Cost, Marginal Cost, Opportunity Cost, Explicit Costs and Implicit Costs. (10 Marks)
- 4 a. What do you mean by Cartel? Give suitable example. (03 Marks)
b. Enumerate the features of Monopolistic market – structure and substantiate your answer, why product differentiation is better option in case of monopolistic competition. (07 Marks)
c. Write a note on price skimming, penetration pricing loss leader pricing, peak load pricing, product line pricing. (10 Marks)
- 5 a. Define Business Environment. (03 Marks)
b. Discuss the nature and scope of Indian business environment. (07 Marks)
c. Explain SWOT analysis of Indian Economy. (10 Marks)
- 6 a. What do you mean by Industrial Policy? (03 Marks)
b. Discuss the objectives of Industrial Policy 1991. Add a note on features of Industrial Policy 1991. (07 Marks)
c. Enumerate the problems faced by private sector in India. Add a note on objectives of monetary policy. (10 Marks)
- 7 a. What do you mean by price discrimination? Give suitable example. (03 Marks)
b. Enumerate the features of perfect competitive market structure. (07 Marks)
c. Discuss the impact of political, legal, economic and socio-cultural environment on Indian business organizations. (10 Marks)

8 Case Study (Compulsory) :

India is world's second largest market for Phones and Smart phones after China. Though Samsung is still the market leader in overall phone and smart phone segments in the country, according to a study, iphone maker Apple leads India's premium segment with a 56% share, while Samsung trails behind with 40% for the first quarter of 2017. Samsung had suffered a big jolt to its branding and market share after the world-wide recall of its Galaxy Note 7 due to a series of incidents of battery explosion in October 2016. This cleared the battle field for apple.

Samsung is planning to comeback in May 2017, with two new premium models, Galaxy S8 and S8⁺. Experts are divided on the future of these new launches; however, Samsung is highly confident to mount a tough challenge to its prime rival apple, hoping that the memories of Galaxy 7 disaster have been erased. Galaxy S8 and S8⁺ shall be available through physical retail stores, as well as through Flipcart, and Samsung's own online store from May 2017. Mr. Warsi, Senior Vice-President, Mobile business, Samsung India has stressed that the Global concern of quality has been addressed and that they expect to enhance market share due to the fact that S8⁺ has a bigger screen.

Questions :

- a. Elasticity of demand for a product is affected by availability of a substitute. Discuss from the perspective of Samsung. (10 Marks)
- b. If you were the Vice President, Mobile business, Apple India, how would you react to this announcement of Samsung? (10 Marks)
