

# CBCS SCHEME

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22MBA26

## Second Semester MBA Degree Examination, June/July 2023 Managerial Economics

Time: 3 hrs.

Max. Marks: 100

- Note:** 1. Answer any **FOUR** full questions from Q.No.1 to Q.No.7.  
2. Question No. 8 is compulsory.  
3. M : Marks , L: Bloom's level , C: Course outcomes.

			M	L	C
Q.1	a.	Define Managerial Economics.	3	L3	CO1
	b.	Explain the nature and scope, highlighting key characteristics of managerial economics.	7	L1	CO1
	c.	Enumerate and elaborate on primary uses of Managerial Economics in business decision making. How does it aid managers in optimizing resources and achieving organizational goals?	10	L3	CO1
Q.2	a.	Define the concept of a firm and an industry.	3	L2	CO1
	b.	Explain Marris's model of growth maximization with a suitable example.	7	L3	CO1
	c.	Identify and explain three exceptions to the law of demand. Provide examples to illustrate each exception.	10	L2	CO2
Q.3	a.	Define price elasticity of demand.	3	L1	CO2
	b.	Explain the concept of income elasticity of demand. If the income elasticity of a luxury good is 1.8, what does this reveal about the nature of the good?	7	L4	CO2
	c.	Outline three methods of demand forecasting and briefly explain how each method works.	10	L3	CO2
Q.4	a.	Define production in the context of economics.	3	L5	CO4
	b.	Define total cost, average cost and marginal costs. How do these costs relate to each other and to the production process?	7	L3	CO4
	c.	A small firm incurs fixed expenses amounting to Rs.12,000. Its variable cost of product X is Rs.5 per unit. Its selling price is Rs.8. Determine its Break Even Quantity (BEQ) and safety margin for the sales of 5000 units.	10	L6	CO4
Q.5	a.	Define the Long-Run Average Cost (LAC) curve.	3	L6	CO4
	b.	Describe peak load pricing and provide an example of a business that uses this strategy.	7	L6	CO4
	c.	Define oligopoly and list its features. How does the kinked demand curve model? Explain price rigidity in an oligopolistic market.	10	L6	CO4

Q.6	a.	Define Indian Business Environment.	3	L3	CO5
	b.	Identify and explain some of the challenges and problems faced by private sector in India. How might these challenges be addressed?	7	L3	CO5
	c.	Define monetary policy and discuss its objectives. How does these monetary policy objectives impact the economy?	10	L4	CO6
Q.7	a.	What is Production Linked Incentive (PLI)?	3	L5	CO6
	b.	Outline the new economic initiatives proposed by the Indian Government to stimulate economic growth.	7	L5	CO6
	c.	Discuss the key elements and strategies of the Atma Nirbhar Bharat Abhiyan that support various sectors, including manufacturing, infrastructure and technology.	10	L4	CO6
Q.8	a.	Define fiscal policy and explain its significance in macroeconomic management. Describe the three main types of Fiscal policy: neutral, expansionary and contractionary with example.	10	L5	CO5
	b.	Describe the socio-cultural environment and its influence on business operations. How might cultural values and societal norms affect marketing strategies?	10	L6	CO6

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