

Reg. No.

**MBA Degree (FT/PT) First Semester University End Semester Examination-January, 2024**  
**21-371-0103/21-372-0103: MANAGERIAL ECONOMICS**

(Regular and Supplementary)

Time: 3 Hours

Max.Marks:50

**Course Outcomes:** On completion of the course, the student will be able to:-

CO1	Basic concepts of managerial economics and the reason for existence of firms.
CO2	The concept of managerial economics, market and firm
CO3	The demand and supply conditions and assess the position of a company
CO4	Real-world business problems with a systematic theoretical framework
CO5	Effect of non-price factors on products and services of monopolistic and oligopoly firms.
CO6	Competition strategies, including costing, pricing, product differentiation, and market environment according to the natures of products and the structures of the markets.

**BL-Bloom's Taxonomy:** (L1-Remember, L2-Understand, L3-Apply, L4-Analyse, L5-Evaluate, L6-Create)

**PARTA**

(Answer ALL questions. Each question carries two marks)

Q. Nos.	Questions	Marks	BL	CO
1	If the price of good 'X' rises and this leads to a rise in the demand for good 'Y', then what is the relationship between X and Y?	2	1	3
2	What is collusive oligopoly? Give examples	2	1	3
3	List the characteristic features of a capitalist economy	2	2	2
4	Differentiate between Isoquant and Isocurve.	2	2	3
5	In certain markets, the price is rigid and in other markets the price is identical, what are these market forms?	2	1	4

(5X2=10marks)

**PARTB**

(Answer ANY FIVE Questions. Each question carries 4 marks)

Q.Nos.	Questions	Marks	BL	C
6	Decision-making is the most important function of an entrepreneur. Explain the steps in the decision-making process?	4	3	2
7	Compare 'price discrimination' and 'product differentiation' in economics.	4	4	6

8	The following table shows the price and demand for rice in two months:	<table border="1"> <thead> <tr> <th>Month</th> <th>Price</th> <th>Demand</th> </tr> </thead> <tbody> <tr> <td>November</td> <td>45</td> <td>20</td> </tr> <tr> <td></td> <td>52</td> <td>15</td> </tr> <tr> <td>December</td> <td>50</td> <td>18</td> </tr> <tr> <td></td> <td>55</td> <td>14</td> </tr> </tbody> </table>		Month	Price	Demand	November	45	20		52	15	December	50	18		55	14	4	5	3
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Compute in which month the demand for rice is more elastic.																					
9	Derive and explain the relationship between TR, MR and AR. Illustrate the same graphically also.	4	5	4																	
10	Analyze the key exceptions that challenge the conventional law of demand. Illustrate with real life examples the instances where the law of demand may not hold true.	4	5	3																	
11	The long run average cost curve is L shaped. Does this mean that economies of scale do not exist? Comment.	4	5	6																	
12	Outline the distinctions between Gross Domestic Product (GDP) and Gross National Product (GNP), and elaborate on the significance of GDP as a key metric for economists and investors in understanding and assessing a country's economic health.	4	2	6																	

(5X4=20marks)

**PART C**

(Answer ANY TWO questions. Each question carries 10 marks)

Q.Nos.	Questions	Marks	BL	CO																																																																
13	"Pricing strategies play a pivotal role in the success of any business, influencing customer perceptions, market competitiveness, and overall profitability". Determine the various pricing strategies followed by firms. Substantiate with relevant examples.	10	5	6																																																																
14	A business cycle is a metric used by the economist to measure the present state of the economy. Analyze the various phases of this business cycle. Discuss on India's current economic position in the business cycle?	10	6	6																																																																
15	Complete the following table and analyze the relationship between Cost and Output.	10	6	6																																																																
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