



Second Semester MBA Degree Examination, Dec.2023/Jan.2024
Managerial Economics

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.	Identify two limitations of Managerial Economics.	3	L2	CO1
	b.	Explain the fundamental principals of Managerial Economics.	7	L2	CO1
	c.	Elucidate the Baumol's model by mentioning its assumptions and criticism.	10	L3	CO2
Q.2	a.	What do you understand from demand schedule?	3	L5	CO3
	b.	Explain the method's measuring the Elasticity of demand.	7	L5	CO3
	c.	Discuss the measurement of Price Elasticity of Demand.	10	L5	CO3
Q.3	a.	What is Economic of Scales?	3	L3	CO4
	b.	Explain the different factor's of production.	7	L3	CO4
	c.	What do you understand by iso quant's? Show shape and properties of iso quant's.	10	L3	CO4
Q.4	a.	Define Monopolistic competition.	3	L6	CO5
	b.	How the determination of pricing take place under perfect market competition?	7	L6	CO5
	c.	It is believed that a firm under perfect competition is a price – taker and not a price maker. Explain with suitable diagram.	10	L6	CO5
Q.5	a.	State the significance of Business Environment.	3	L2	CO6
	b.	Briefly discuss on legal frame work in India.	7	L2	CO6
	c.	What is GDP? Highlight on approaches of measuring GDP and its growth rate.	10	L2	CO6

Q.6	a.	Define Industrial Policy.	3	L2	CO6
	b.	Enumerate the types of Fiscal Policy.	7	L2	CO6
	c.	Illustrate the functions of WTO. Discuss the organizational structure of WTO.	10	L2	CO6
Q.7	a.	What is Monetary Policy?	3	L2	CO6
	b.	Explain briefly different method of Demand Forecasting.	7	L5	CO3
	c.	Explain the law of variable proportions with the help of diagram, indicating the increasing diminishing and negative returns.	10	L3	CO5
Q.8	CASE STUDY : (Compulsory)				
	<p>Maruthi Ltd., (MUL) enjoys monopoly in spare part's along with dealer's , MUL is exploiting Maruti Vehicle user's.</p> <p>Often the vehicle user has to change the clutch plate twice in six months and has to pay 3567/-. MUL charges the price of clutch at imported cost while plate is actually made by local Vender's of Faridabad.</p> <p>The replacement of silencer cost Rs 800/- the cost of spare repair's by any recovering is three to four times compared to Ambassador or Fiat Car's.</p> <p>A random spare indicates that every eight car's has faulty clutch in the context of defective part's and exorbitant cost of repair saving in full in Maruti as compared to other's Auto maker's is of little consequence.</p> <p>Maruthi vehicle user's in dilemma they cannot get spare part's or get their car repaired. Except through Maruthi udyog or it's authorized dealer's but both charges huge amount, not giving guarantees for a single day MUL is thus creating indifference and confusion among car user's rather solving issues.</p> <p>Questions :</p>				
	a.	Define Monopoly. Does MUL enjoys monopoly in car manufacturing? Explain.	10	L6	CO5
	b.	In what way do Customer suffer monopoly practice of MUL? Suggest remedy to this problem.	10	L6	CO5
