CBCS SCHEME

USN | | | | | | | | | | |

22MBA26

Second Semester MBA Degree Examination, Dec.2024/Jan.2025
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**	**L2**	**CO1**
	b.	Describe the scope and significance of Managerial Economics.	**7**	**L2**	**CO1**
	c.	Briefly explain the Baumol's sales revenue maximization model.	**10**	**L3**	**CO2**
Q.2	**a.**	What is cross elasticity of demand?	**3**	**L2**	**CO1**
	b.	Enumerate the measurement of elasticity of demand.	**7**	**L2**	**CO1**
	c.	What are all the methods of demand fore casting?	**10**	**L5**	**CO3**
Q.3	**a.**	What is economics of scale?	**3**	**L3**	**CO2**
	b.	Find the TFC , TVC , AC , MC , AFC , AVC from the following data and represent in a picture :	**7**	**L3**	**CO4**
	c.	Briefly explain the concepts of ISO – Quants and ISO – cost.	**10**	**L3**	**CO4**
Q.4	**a.**	What are Cartels?	**3**	**L2**	**CO1**
	b.	Explain Kinked demand curve along with graph and its assumptions.	**7**	**L5**	**CO3**
	c.	Define Market structure. Elaborate the different types of market structure.	**10**	**L6**	**CO5**
Q.5	**a.**	Define Business Environment.	**3**	**L3**	**CO2**
	b.	Discuss the nature and scope of Indian Business Environment.	**7**	**L2**	**CO6**
	c.	Explain the components of GDP in detail.	**10**	**L2**	**CO6**

Units =	0	1	2	3	4	5
Total cost =	300	330	400	450	560	610

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Q.6	**a.**	What is Foreign trade?	**3**	**L2**	**CO6**
	b.	What are the objectives of SME's?	**7**	**L3**	**CO4**
	c.	Differentiate monetary and fiscal policy.	**10**	**L2**	**CO6**
Q.7	**a.**	What is meant by advertising elasticity?	**3**	**L2**	**CO1**
	b.	From the following calculate BEP interms of sales and in units, number of units that must be sold should earn a profit of Rs 90,000.	**7**	**L3**	**CO4**
	c.	Identify the current trends in Indian foreign trade.	**10**	**L2**	**CO6**

	Rs
Fixed cost	60,000
Fixed selling cost	12,000
Variable cost per unit	12
Variable selling cost per unit	3
Selling price	24

Q.8 **CASE STUDY** :

For a particular economy the following capital input K and labour input N were reported in four different years :

Year	K	N
1	200	1000
2	250	1000
3	250	1250
4	300	1200

The production function in this economy is $Y = K^{0.3} N^{0.7}$.
Consider the Cobb – Douglas production function in the same economy $Yt = A^t K t^b L_t^{1-b}$. , where Y is output ; K is capital ; and L is labour hours worked. A is total productivity and b is 3.

Question :

	a.	Find total output , the capital labour ratio and output per worker in each year. Compare year 1 with year 3 and year 2 with year 4. Can this production function be written in per worker form? If so, write algebraically the per worker form of the production function.	**10**	**L3**	**CO4**
	b.	Analyze how the marginal productivity of labour changes when : i) A increase by 10% ii) K increase by 10% iii) L increase by 10% iv) b falls from 0.4 to 0.3.	**10**	**L3**	**CO4**

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