

Roll No.

Total No. of Pages : 02

Total No. of Questions : 17

MBA/MBA (IB) (Sem.-1)
MANAGERIAL ECONOMICS

Subject Code : MBA-102-18

M.Code : 75403

Date of Examination : 18-05-2023

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. SECTION-A contains EIGHT questions carrying TWO marks each and students has to attempt ALL questions.
2. SECTION-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.
3. SECTION-C is COMPULSORY and consist of ONE Case Study carrying TWELVE marks.

SECTION-A

Write a short note on the following :

1. Production Possibility Curve
2. Income Elasticity
3. Budget line
4. Average Product
5. Variable Cost
6. Monopolistic Competition
7. Multiplier
8. National Income

SECTION-B

UNIT-I

9. “*Managerial Economics is the supportive system of Business Decision Making.*” Explain this statement and explain the relationship of Managerial Economics with other disciplines.
10. How consumer equilibrium is determined in indifference theory. Explain Price Effect?

UNIT-II

11. What is meant by Marginal Revenue Product of an Input? How is it calculated? Why Marginal Revenue Product of an input decline as more units of the variable input are used?

12. Explain different types of revenues. Explain the relationship between elasticity of demand and revenue.

UNIT-III

13. What do you mean by Perfect Competition? Explain different features of perfect completion. Explain short run equilibrium in case of perfect competition?
14. **Explain :**
- a) Real vs. Nominal Interest Rates
 - b) Measurement of Profit.

UNIT-IV

15. Explain Keynes Psychological Law of Consumption. Explain different determinants and Measures to raise Propensity to Consume.
16. Explain different methods of determination of national income. Explain different methods of determination of National Income.

SECTION-C

17. Case study

Refreshing Beverages Limited is a Multi Product Firm engaged in the production of Consumption Goods. Two of its products “Tea” and “Coffee” are related in consumption. The past experience of the firm indicates the following relationship:

| Year | Coffee (Rs/KG) | Quantity of Coffee Bought (Kg) | Income | Price of Tea (Rs/Kg) |
|------|----------------|--------------------------------|--------|----------------------|
| 1. | 95 | 20 | 1000 | 35 |
| 2. | 98 | 18 | 1000 | 35 |
| 3. | 98 | 21 | 1050 | 35 |
| 4. | 95 | 21 | 1000 , | 40 |

- a) Calculate Price Elasticity of Coffee and Tea.
- b) What are other elasticities which you can calculate from the above schedule and calculate the same?
- c) How will you interpret the above schedule?

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.