Roll No. | | | | | | | | | | | |

Total No. of Pages: 2

Total No. of Questions: 10

MBA, Semester- 1st

Managerial Economics

Subject Code: 25C2BAP-102/MBA102-18/25C1BAP-102

M.Code: 96541/75403/96695

Date of Examination: 8-05-2026

Time: 3 Hrs.

Max. Marks: 60

INSTRUCTIONS TO CANDIDATES:

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

Q. No.	Question	CO	BL
	SECTION-A		
1.	Answer briefly:		
a.	Define the meaning of incremental analysis.	CO1	L1
b.	State how scarcity forces firms to make choices.	CO1	L2
c.	Which factors affect demand forecasting accuracy?	CO2	L1
d.	Compare constant, increasing and decreasing returns to scale.	CO3	L2
e.	List the types of returns to scale.	CO4	L1
f.	Summarize the determinants of supply.	CO4	L2
g.	Why do firms form a cartel?	CO5	L1
h.	List any two major types of inflation.	CO5	L2
	SECTION-B		
	UNIT-I		
2.	Apply the incremental principle to evaluate whether a firm should introduce a new product.	CO1	L3
3.	Examine the scope of managerial economics and justify its relevance in managerial functions.	CO1	L4
	UNIT-II		
4.	Make use of the oligopoly assumptions to analyze firm behavior.	CO3	L3
5.	Breakdown the relationship between elasticity and revenue to build a revenue strategy.	CO2	L4
	UNIT-III		
6.	Evaluate modern pricing practices and defend the best strategy for competitive markets.	CO4	L5
7.	Categorize increasing, constant, and decreasing returns to scale and analyze their long-run implications.	CO4	L4
	UNIT-IV		
8.	Contrast the limitations of national income statistics and categorize the most critical ones affecting accuracy.	CO5	L4
9.	Evaluate the factors that determine money market equilibrium in developing economies.	CO5	L5
	SECTION-C		
10.	Case Study A financial crisis triggers panic among investors, leading to high liquidity preference. People hold more cash rather than investing, causing money market shortages. Interest rates become volatile, and credit availability declines. The central bank intervenes by injecting liquidity, but market confidence remains weak. Economists analyze how money demand behavior contributes to disequilibrium and assess the extent to which central bank intervention can stabilize the financial system. Questions. (a) Interpret how liquidity preference contributes to money market instability. (b) Evaluate the central bank's role in restoring money market equilibrium	CO3	L5

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