Code: 17E00103

MBA & MBA (Finance) I Semester Regular & Supplementary Examinations January 2020
MANAGERIAL ECONOMICS
(For students admitted in 2017, 2018 & 2019 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks
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SECTION – A
(Answer the following: 05 X 10 = 50 Marks)

1   What is managerial economics? Critically examine its nature and scope.

OR

2   'Managerial economics facilitates better decision making with the help of various economic tools'. Substantiate your answer.

3   A firm has been producing motor bikes for the past 10 years. Now the manager of the firm is interested to know the likely demand for the future periods. What methods can he use in order to forecast the demand for motor bikes?

OR

4 (a) Discuss the significance of elasticity of demand.
    (b) Explain the approaches to demand estimation

5   What is production function? Diagrammatically represent 'the law of variable proportions'.

OR

6   Discuss the role of Break even analysis in decision making with the help of suitable diagram.

7 (a) Soap industry is characterized by which market competition? Elucidate your answer.
    (b) Write the important features of perfect competition market.

OR

8 (a) A monopolist tries to maximize profits by adopting price discrimination in different markets. Justify the statement.
    (b) Discuss the conditions in which monopolist can adopt price discrimination in different markets.

9   What is inflation? Discuss its types and measures that can be adopted to control inflation.

OR

10   Define business cycles. Write different phases and which phase of business cycle poses threat to the economy and why.

SECTION – B
(Compulsory question, 01 X 10 = 10 Marks)

11   **Case Study:**

The McNight company has initially established soft drinks outlets in shopping malls. The company hires an economist to determine the demand for its soft drinks in shopping malls. After months of hard work, the analyst tells the company that demand for the soft drinks in shopping malls is given by the following equation:

$$Q_d = 5000 - 25\,P_a + 30\,P_b + 0.5\,I$$

Where, P_a = Price per unit of McNight company soft drinks

P_b = Price per unit of the competitors soft drinks

I = Income of the consumer

The company also has an inclination to set up soft drink outlets in petrol pumps. Later the company sets up soft drink outlets in a petrol pump. The petrol pump was located at a place where there were no other soft drink outlets within a radius of 5 km. During the summer of 2008, the company offered a discount of 10% and sales roared from 700 bottles per month to 1500 bottles per month. The discount was withdrawn subsequently.

Encouraged by the response, six months later, the owner decided to bring about a permanent reduction of 10% in the price of soft drinks. In the mean time, two new soft drink outlets were setup in the vicinity. This time to the owner's dismay, the sales went up marginally from 700 bottles per month to 800 bottles per month, and since a reduction in the price had already been announced, the owner could not revert to the old price soon.

Questions:

(a) Analyze whether the pricing strategy adopted by the company in the petrol pump is right or not.

(b) Calculate price elasticity of demand for soft drinks in petrol pump outlets during the summer of 2008.

(c) What factors have changed since then and what is the effect of these changed factors on the price elasticity, and the resultant new price elasticity?

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Code: 17E00103

MBA & MBA (Finance) I Semester Supplementary Examinations June 2019
MANAGERIAL ECONOMICS
(For students admitted in 2017 & 2018 only)

Time: 3 hours   Max. Marks: 60

All questions carry equal marks
*****
SECTION – A
(Answer the following: 05 X 10 = 50 Marks)

1   Define the nature and scope of managerial economics.
OR
2   Describe the objectives of the firm through managerial theories.

3   Enumerate on need for forecasting and different forecasting techniques.
OR
4   Explain the different types of elasticity of demand with suitable examples.

5   Write short notes on the following:
   (a) Cobb-Douglas production function.
   (b) Returns to scale.
OR
6   Write the following:
   (a) Economies of scale.
   (b) Break Even Analysis.

7   What is meant by perfect competition market? Enumerate on price output determination in perfect competition.
OR
8   Describe the various pricing strategies.

9   Explain the different phases of business cycle.
OR
10   What are the effects of inflation? Describe some anti-inflationary methods

SECTION – B
(Compulsory question, 01 X 10 = 10 Marks)

11   **Case Study:**
   During a recessionary period, in the United States, CEO's of the General Elite Business School is planning to rebrand the school and also is forecasting to attract. Prospective candidates for 2017 admissions. The school is planning to create additional demand of 50%. For rebranding process EBS management is planning to develop their infrastructure in three different ways:
   Strategy–I: Purchase an existing B-School building and modify its structure in Mumbai city.
   Strategy–II: Renovate/Uplift existing EBS building at Pune.
   Strategy–III: Construct a new building in and around its existing place.
   From the above situation:
   Question:
   Discuss the pros and cons of each strategy? Which strategy would you prefer and why? Justify your recommendations with the Economic - decision making concepts.
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Code: 17E00103

MBA & MBA (Finance) I Semester Regular & Supplementary Examinations December/January 2018/19
MANAGERIAL ECONOMICS
(For students admitted in 2017 & 2018 only)

Time: 3 hours   Max. Marks: 60

SECTION – A
(Answer the following: (05 X 10 = 50 Marks)
*****

1   Briefly define the role, nature and scope of managerial economics.
OR
2   Briefly discuss the relationship of economics with other disciplines of management.

3   Briefly explain the significance of demand forecasting and narrate various techniques.
OR
4   Discuss the role of marketing research approaches in demand estimation.

5   What is Breakeven analysis? Explain relevance of it in the bussiness.
OR
6   Briefly explain the production function and influencing factors.

7   Explain various pricing methods and the strategies of pricing policy.
OR
8   Briefly explain price output determination in various types of competitions.

9   Define the characteristics, types and effect of each type of inflation.
OR
10   Briefly discuss the characteristics and phases of business cycle.

SECTION – B
(Compulsory question, 01 X 10 = 10 Marks)
11   **Case Study:**
       Define price elasticity of demand. If a consumer increases the consumption of X by 5 kgs from 10 kgs to 15 kgs per week due to decrease in the price by 2 Rs per kg from 8 Rs to 6 Rs, how much is the rate of change is observed in demand due to price change. Explain.

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Code: 14E00202

MBA II Semester Supplementary Examinations December/January 2018/19
MANAGERIAL ECONOMICS
(For students admitted in 2014 (LC), 2015 & 2016 only)

Time: 3 hours   Max. Marks: 60

SECTION – A
(Answer the following: (05 X 10 = 50 Marks)
*****

1 Explain the nature, scope and relevance of managerial economics.
OR
2 Discuss the decision making process at the level of the firm.

3 Categories the types of demands. Explain with an example.
OR
4 What is meant by demand forecasting? Why do you think it is important for the manager of a business firm?

5 Define 'Production function'. What is Cobb-Douglas production function? Explain.
OR
6 Explain short range and long range costs with examples.

7 Discuss in detail various types of markets with suitable example for each.
OR
8 Explain the following pricing strategy:
   (i) Penetration pricing.
   (ii) Skimming pricing.

9 What are the major factors influencing inflation in India? Explain.
OR
10 List out the characteristic features of business cycle. Discuss the impact of business cycle on the organization.

SECTION – B
(Compulsory question, 01 X 10 = 10 Marks)

11 **Case Study:**
    Explain different elasticities of demand. Illustrate the use of elasticities of demand in managerial decision making.

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Code: 14E00202

MBA II Semester Supplementary Examinations December/January 2017/2018
MANAGERIAL ECONOMICS
(For students admitted in 2014, 2015 & 2016 only)

Time: 3 hours   Max. Marks: 60

SECTION – A
(Answer the following: (05 X 10 = 50 Marks)
*****

1   Critically examine the role of managerial economist in the present day business environment.
OR
2   What is optimization? What are the techniques of optimization?

3   Explain clearly about price elasticity of demand with examples.
OR
4   Discuss the need and significance of marketing research in India.

5   Define 'cost'. Outline the various determinants of costs.
OR
6   Write in detail about Cobb-Douglas production function.

7   Explain the features of monopoly and oligopoly.
OR
8   Discuss about methods of pricing which are in practice.

9   Define inflation. What are the negative effects of inflation?
OR
10   What is meant by business cycle? Outline the different phases of business cycles.

SECTION – B
(Compulsory question, 01 X 10 = 10 Marks)

11   **Case Study:**

Commodity	Original price	New price	Original demand	New demand
A	14	16	54	49
B	6	9	14	12
C	96	100	44	39
D	10	8	29	34

Questions:

(a) Calculate price elasticity demand for A, B, C, D.

(b) Which commodity has more elasticity of demand and which commodity has less elasticity of demand?

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Code: 14E00202

MBA II Semester Regular & Supplementary Examinations June/July 2017
MANAGERIAL ECONOMICS
(For students admitted in 2014, 2015 & 2016 only)

Time: 3 hours   Max. Marks: 60
All questions carry equal marks
*****
SECTION - A
Answer the following: (05 X 10 = 50 Marks)

1   Define 'Managerial Economics'. Explain the nature and scope of managerial economics.
OR
2   Define 'Firm'. What are the various objectives of a firm?

3   Briefly write about types of elasticity of demand.
OR
4   What are the techniques available for demand fore-costing?

5   Discuss in detail about Cobb-Douglas production function.
OR
6   Write in detail about economics of scale of production.

7   Examine how price is determined under perfect competition.
OR
8   Briefly write about different strategies of pricing.

9   Outline the reasons for inflation and suggest measures to reduce it.
OR
10   Explain about the various phases of business cycles.

SECTION – B
(Compulsory Question)   01 X 10 = 10 Marks

11   **Case study:**
Find price elasticity of demand at price Rs.7, when price and quantity demanded behave in
the following manner:

Price (P) Kg	9	8	7	6	5	4	3	2	1
Quantity Demanded (Q)/Kg	5	15	20	30	36	45	55	70	90

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MBA II Semester Supplementary Examinations December/January 2016/2017
MANAGERIAL ECONOMICS
(For students admitted in 2014 & 2015 only)

Time: 3 hours   Max. Marks: 60

PART – A
(Answer the following: (05 X 10 = 50 Marks)
*****

1   Discuss briefly the contributions made by different disciplines to managerial economics.
                                                                   OR
2   Distinguish between:
    (a)   Managerialism & marginalism.
    (b)   Managerialism and behaviourism.

3   Define the concepts of elasticity and also classify different types of demand elasticity.
                                                                   OR
4   What is the need of demand forecasting? Describe the complex statistical techniques of demand forecasting.

5   What is product function? Discuss the Cobb-Douglas production function.
                                                                   OR
6   Discuss the main determinants of a cost function and also state the relationship between production & cost in the short-run.

7   Discuss the price-output determination in an industry under perfect competition.
                                                                   OR
8   Would you prefer a low penetration price to a high initial price for a new product? Discuss.

9   What is inflation? Discuss the types and effects of inflation.
                                                                   OR
10   Explain the following:
    (a)   Impact of business cycles on business organization.
    (b)   Ill-effects of business cycles.

SECTION – B
(Compulsory Question)   01 X 10 = 10 Marks

11   **Case study:**
        The retailer's fixed costs are Rs. 50000 and his variable costs are 12% of net sales. Out of the gross margins, he meets his fixed and variable costs.

Products	Profit margin on selling price	Percentage of rupee sales
Pens	40%	30%
Pencils	30%	10%
White papers	35%	40%
Carbon sheets	50%	20%

        (i) Calculate retailer's break-even point.
        (ii) How much profit will the retailer makes on a sales value of Rs. 100000.

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Code: 14E00202

MBA II Semester Supplementary Examinations December/January 2015/2016
MANAGERIAL ECONOMICS
(For students admitted in 2014 only)

Time: 3 hours   Max. Marks: 60

All questions carry equal marks
*****

SECTION – A

Answer the following: (05 X 10 = 50 Marks)

1   What is scope managerial economics? Explain its relationship with finance and marketing functions.

OR

2   Elucidate objectives of a business firm. Describe managerial theories of the firm.

3   What are marketing research approaches to demand estimation?

OR

4   Explain supply function of a product. What are various types of supply elasticity?

5   Explain cost-output relationship in the short and long-turns.

OR

6   What are returns to scale and factors? Examine the role of innovations in global competitiveness.

7   Elucidate how prices are determined in oligopolistic markets.

OR

8   Describe skimming and penetrating price strategies with relevant examples.

9   What are cost-push and demand-pull inflations? What are effects of inflation?

OR

10   Narrate phases of business cycle.

SECTION – B

(Compulsory Question)   01 X 10 = 10 Marks

11   **Case study:**
Maruti Udyog Ltd (MUL) enjoys monopoly in spare parts. Along with dealers, MUL is exploiting Maruti vehicle users.

    Often the vehicle user has to change the clutch plate twice in six months and has to pay Rs.3,567/-. MUL chargers the price of clutch at imported cost while clutch plate is actually made by clutch auto private Ltd at Faridabad.

    The replacement of a silencer costs Rs.800/-. The cost of spare parts and repairs by any reckoning is three to four times compared to Ambassador or Fiat.

    A random sample indicates that every eighth car has faulty clutch. In the context of defective parts and exorbitant cost of repairs, saving in fuel in Maruti as compared to other auto makers is of little consequence.

    Maruti vehicle users in dilemma they cannot get spare parts or get their cars repaired except through Maruti Udyog or its authorized dealers. But both charge huge amounts, not giving guarantee for a single day. MUL is thus, indifferent to the genuine grievances of its customers.
Questions:
(a)   Define a monopoly and stage its main features.
(b)   Why MUL is called a monopoly? Does it enjoy monopoly in car manufacture?
(c)   In what way do customers surfer from monopoly practices of MUL.
(d)   What do you suggest to remedy the situation?

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MBA II Semester Regular Examinations August 2015
MANAGERIAL ECONOMICS
(For students admitted in 2014 only)

Time: 3 hours   Max. Marks: 60

All questions carry equal marks
*****

SECTION - A

Answer the following: (05 X 10 = 50 Marks)

1   Describe behavioral theories of the firm.
OR
2   What are optimization techniques? Illustrate attaining optimization, using calculus.

3   What are the different types of demand elasticity? Examine their business implications.
OR
4   Narrate statistical demand forecasting techniques.

5   Describe Cobb-Douglas production function.
OR
6   Explain various cost concepts and illustrate their managerial applications.

7   How is price determined in monopoly market structure?
OR
8   Give a brief account of each of the pricing methods with suitable examples.

9   What anti-inflationary measures do you suggest for containing inflation in India?
OR
10   What is boom and recession in business cycle? Give copper recommendations to deal with recessionary conditions.

SECTION – B

(Compulsory Question)   01 X 10 = 10 Marks

11   **Case study:**
Despite stiff increase in tariff by Doordarshan (DD) in march 1987 actual revenue declined. This study indicated that the number of small and medium advertisers which was on the increase before the tariff hike has now been on decline. Further there has also been a noticeable shift in favor of 20 and 10 seconds spots from 30 or more seconds spots before the hike in tariff. The study found that there has been a steep decline in the actual number of advertisements on Doordarshan. This is across all TV centers and program segments. But it was more significant in the case of channel II of Delhi and Bombay.

The second channel of Bombay DD TV had no advertisements since the increase in tariff as against revenue of Rs.15, 000/- to Rs.20, 000/- per month in the corresponding months of the previous year.

In case of Delhi DD TV's second channel, the number of advertisements declined from a rate of 40 to 65 per month in May to July 1986 to a rate of 12 to none between may to July 1987. Even the actual revenue has fallen. It was about Rs.55, 000/- to 71,000/- per month in May-June period of 1986. In the current year, however, it developed to Rs.28, 000/- in June and was nil by July 1987.

Questions:
(a)   What happened to revenue after tariff hike for advertisement in DD?
(b)   Why has revenue declined?
(c)   Is the prize-elasticity of demand for DD TV advertisements high/low/zero?
(d)   What tariff (or prize) policy should DD follow for TV advertisements?

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