

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?

MBA II Semester Regular & Supplementary Examinations June/July 2017

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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-casting?

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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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) III-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.

MBA II Semester Supplementary Examinations December/January 2015/2016

MANAGERIAL ECONOMICS

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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.
OR
- 3 What are marketing research approaches to demand estimation?
OR
- 4 Explain supply function of a product. What are various types of supply elasticity?
OR
- 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.
OR
- 7 Elucidate how prices are determined in oligopolistic markets.
OR
- 8 Describe skimming and penetrating price strategies with relevant examples.
OR
- 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 charges 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 suffer from monopoly practices of MUL.
(d) What do you suggest to remedy the situation?

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?
