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14MBA12

First Semester MBA Degree Examination, June/July 2017
Economics for Managers

Time: 3 hrs.

Max. Marks:100

SECTION - A

*Note : 1. Answer any FOUR questions from Q.No.1 to Q.No.7.
2. Question No 8 is compulsory.*

- 1 Define the cross elasticity of demand. (03 Marks)
- 2 What is an isoquant? (03 Marks)
- 3 What do you mean by marginal cost? (03 Marks)
- 4 Discuss price discrimination. (03 Marks)
- 5 What is inflation? (03 Marks)
- 6 Define the term globalization. (03 Marks)
- 7 What do you mean by monetary policy? (03 Marks)

SECTION - B

Note : Answer any FOUR questions from Q.No.1 to Q.No.7.

- 1 State the law of demand and explain the exceptions to the law of demand. (07 Marks)
- 2 Define the economies of scale. Explain the reasons behind the economies of scale. (07 Marks)
- 3 Explain the returns to scale using suitable diagrams. (07 Marks)
- 4 From the following particulars, calculate :
 - i) Break-even point in terms of sales value and units
 - ii) Number of units that must be sold to earn a profit of Rs. 90,000, Fixed cost Rs. 72,000, Variable cost/unit Rs. 15, Selling price/Unit Rs. 24. (07 Marks)
- 5 What is oligopoly? Explain its features. (07 Marks)
- 6 Describe the phases of business cycle with a neat diagram. (07 Marks)
- 7 Describe the role of SSI in Indian economy. (07 Marks)

**SECTION - C**

Note : Answer any FOUR questions from Q.No.1 to Q.No.7.

- 1 Explain the law of variable proportions with a neat diagram. (10 Marks)
- 2 Explain the determinants short term and long term profits. (10 Marks)
- 3 Explain the price and output determination under monopolistic competition. (10 Marks)
- 4 Give the SWOT analysis of Indian economy. (10 Marks)
- 5 Explain the salient features of new industrial policy. (10 Marks)
- 6 Explain the impact of WTO on India's foreign trade. (10 Marks)
- 7 Explain the various measures of credit control. (10 Marks)

SECTION - D**CASE STUDY – [Compulsory]**

Maruti Udyog limited has become Suzuki Motor corporation's R and D hub for Asia outside Japan. Maruti introduced upgraded versions of the esteem, Maruti 800 and omni completely designed and styled in house. This followed the up-gradation of WagonR and Zen Models, done in house. Maruti engineers also worked with their counterparts in Suzuki Motor corporation in the design and development of its new model, Swift.

The company launched superior Bharat stage III versions of most of its models well before the government deadline. Maruti also setup a centre for excellence with a corpus of Rs. 100 million. This was done in collaboration with suppliers, who contributed an additional Rs. 50 million. The centre provides consultancy and training support to Maruti's suppliers and sales network to enable them to achieve standards in quality, cost service and technology orientation.

Questions :

- Identify the most important factors of production in case of automobile industry. (05 Marks)
- Explain the relative significance of each of the factors of production. (05 Marks)
- What more information would you like to obtain in order to draw a production function for Maruti Udyog? (05 Marks)
- a. Automobile industry is a good example of capital augmenting technical progress. Discuss. (05 Marks)
 - b.
 - c.
 - d.
