

CBCS Scheme



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16/17MBA12

First Semester MBA Degree Examination, Dec.2017/Jan.2018

Economics for Managers

Time: 3 hrs.

Max. Marks:80

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

- 1 a. What are Business Cycles? (02 Marks)
b. Differentiate between Fixed cost and Variable Cost. Give examples. (06 Marks)
c. Explain the price and output decision under monopolistic competition in the long run, with the help of a diagram. (08 Marks)
- 2 a. What is a margin of safety? (02 Marks)
b. Explain briefly the objectives of a business firm. (06 Marks)
c. Describe concept and assumptions of Break Even Analysis, with the help of a diagram. (08 Marks)
- 3 a. What is a Demand pull inflation? (02 Marks)
b. Briefly explain the major sectors of Indian Economy. (06 Marks)
c. What is Price Elasticity of demand? Explain its types with suitable diagrammatic illustrations. (08 Marks)
- 4 a. What are Returns to scale? (02 Marks)
b. What are the highlights of recent Union Budget? (06 Marks)
c. What is a Kinked Demand Curve? What are its assumptions and criticisms? (08 Marks)
- 5 a. What is an Envelope curve? (02 Marks)
b. Explain different pricing strategies. (06 Marks)
c. What is National Income? What are the different methods of estimating National Income? (08 Marks)
- 6 a. What are Giffen goods? (02 Marks)
b. What are different types of costs? (06 Marks)
c. What are recent changes in Indian economy? (08 Marks)
- 7 a. What are MSMEs? (02 Marks)
b. What are exceptions to the Law of demand? (06 Marks)
c. Examine the cost – output relationship in the longrun. Why is longrun AC curve 'U' shaped? (08 Marks)
- 8 **CASE STUDY :**

A firm sells its products at Rs 32 per unit. Variable costs per unit constitute Rs 18/- as manufacturing cost, Rs 4 as selling costs. Fixed overheads include factory overheads of Rs 1,50,000 and selling overheads of Rs 30,000. Calculate

- a. Selling price if 1000 units are sold. (04 Marks)
- b. Variable costs and fixed costs. (04 Marks)
- c. BEP in amount and units. (04 Marks)
- d. Contribution and sales to earn a profit of Rs 60,000 in value and units. (04 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg, 42+8 = 50, will be treated as malpractice.



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16/17MBA12

First Semester MBA Degree Examination, Dec.2018/Jan.2019 Economics for Managers

Time: 3 hrs.

Max. Marks: 80

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

- 1
 - a. Mention any three features of managerial economics. (02 Marks)
 - b. Explain Baumol's model of sales maximization with the help of a diagram. (06 Marks)
 - c. Explain the objectives and alternate objectives of firm. (08 Marks)

- 2
 - a. State three exceptions to "law of demand". (02 Marks)
 - b. Write a brief note on types of price elasticity of demand. (06 Marks)
 - c. Explain laws of variable Proportion. (08 Marks)

- 3
 - a. What is opportunity cost? (02 Marks)
 - b. For the demand function, determine whether demand is elastic, inelastic at a given price.
 $Q = 1500 - 20P$ and given $P = Rs. 5$ (06 Marks)
 - c. What is the positive impact of WTO on Indian Foreign Trade? (08 Marks)

- 4
 - a. What is peak load pricing? (02 Marks)
 - b. State the features of perfect competition. (06 Marks)
 - c. Explain the phases of Business cycle. (08 Marks)

- 5
 - a. What is GDP? (02 Marks)
 - b. Elaborate the salient features of Indian economy. (06 Marks)
 - c. What factors affect FDI Decision? (08 Marks)

- 6
 - a. What is Industrial policy? (02 Marks)
 - b. *Enumerate the problems of SMES.* (06 Marks)
 - c. State the positive implication of Globalization. (08 Marks)

- 7
 - a. Define revenue. (02 Marks)
 - b. What are the tools for credit control? (06 Marks)
 - c. A firm sell its product at Rs 30 per unit variable cost per unit constitute Rs. 17 as manufacturing cost, Rs 3 as selling cost, fixed overheads comprise of factory overhead of Rs 150000 and selling overheads of Rs 30,000. Calculate :
 - i) Selling price if 1000 unit are sold
 - ii) Variable cost and fixed cost
 - iii) BEP in amounts and unit
 - iv) Contribution
 - v) Sells to earn a profit of Rs 60,000 in value and in units (08 Marks)



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8 **Compulsory : Case Study**

In India biscuit are produced by secular small and big manufactures, including Britannia, ITC, Parle etc. production of biscuits requires inputs of raw materials such as wheat, oil and sugar. The price of all these raw materials has gone up by 10 – 12 percent other associated cost have also gone up. Consequently, biscuit industry is passing through high input costs continuation of the cost pressure would imply increase in the price.

Questions :

- a. How do you analyze the cost prices relationship in Biscuit industry? (08 Marks)
- b. A low cost high volume product is to be released in the highly competition market. The manager is thinking adopt. One of the pricing strategies, suggests which one is best? (08 Marks)

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