

MBA I Semester Regular & Supplementary Examinations January 2025
MANAGERIAL ECONOMICS
 (Common to MBA, Finance, Fintech, Business DA, Big DA, B&FS and HC&HM)

Time: 3 Hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

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

1. What is managerial economics and discuss its nature and scope? 10M
 OR
2. Explain the new management tools of optimisation that will help in decision-making processes of an organization. 10M
3. Elaborate the law of demand and the importance of law of demand in managerial economics and its implications on business decision-making. 10M
 OR
4. Elucidate various techniques of forecasting which are applied for demand analysis. 10M
5. Define break-even analysis and explain with illustration. 10M
 OR
6. Describe the short run and long-run cost-output relationship. How are average cost curves helpful in cost analysis? 10M
7. Compare the characteristics of the different competitive conditions, How does structure affect price strategy in the perfect market condition? 10M
 OR
8. Describe the effects of multiproduct pricing. How can firms best fine-tune pricing strategies across a product line? 10M
9. What are the anti-inflationary measures adopted by firms? Are anti-inflationary techniques a good instrument to control inflation? 10M
 OR
10. What strategies do firms attempt to reduce the negative impacts of the business cycle on organizational performance? What is the responsibility of managerial economics in this regard? 10M

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SECTION – B

(Compulsory question, 01 X 10 = 10 Marks)

11 **Case Study/Problem:**

The 2G Spectrum Scam

In 2008, the Indian government sold out 2G spectrum licenses to telecom companies at significantly cheaper prices than the market rates. In this process, the auction brought about various allegations of corruption and poor administration. The rationale behind this decision was that mobile penetration in India had been growing very rapidly since then; therefore, more players would help increase penetration levels. Companies like BhartiAirtel, Reliance, and others benefited from these licenses because they were able to give services at cheaper prices.

10M

The bidding process was opaque in such a manner that it later became clear that these firms had acquired licenses through unfair means, leading to India's infamous 2G spectrum scam. The Supreme Court of India intervened and declared the licenses illegal and cancelled them in the year 2012. This case elaborates on how proper regulatory frameworks are needed in oligopolistic markets where just a few firms dominate the industry.

Its aftermath led to a significant overhaul of the telecom sector in India with strong regulations and auction-based allocations for spectrum. This would essentially help ensure fair competition and optimal resource allocation toward the benefits of consumers through enhanced services at better prices.

Questions:

1. What were the economic implications of the 2G spectrum scam on the Indian telecom industry, and the effects on consumer welfare?
2. Compare and contrast the extent of regulation by government on telecommunication sectors before and after 2G spectrum scam. How does this impact change the nature of competition in the market?
3. Analyze any behaviour or management theory that would justify the decision to make on firm eligible for the 2G spectrum allocation. The lessons learned for future regulatory practice should be made clear.

Code: 21E00103

MBA I Semester Supplementary Examinations July 2024
MANAGERIAL ECONOMICS

(Common to MBA, Finance, Fintech, BDA, BigDA, B&FS and H&HM),

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION-A

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

1. (a) Explain the nature and significance of Managerial Economics. 5M
(b) Give a short note on new management tools of Optimization. 5M
OR
2. (a) Describe behavioral theories of the Firm. 5M
(b) How managerial economics is useful for taking managerial decisions? Illustrate. 5M
3. (a) Explain different types of Demand Elasticity. 5M
(b) What is the need for Demand Forecasting? 5M
OR
4. (a) State statistical demand forecasting techniques. 5M
(b) Discuss marketing research approaches to Demand Estimation. 5M
5. (a) Explain various cost concepts and illustrate their managerial applications. 5M
(b) Describe Isoquants and Isocost Curves. 5M
OR
6. (a) Write in detail about Economics of Scale of Production. 5M
(b) How a Firm Optimizes the employment of the variable factor of production in the short run? 5M
7. (a) Explain the features of Monopoly. 5M
(b) Discuss the methods of pricing which are in practice. 5M
OR
8. (a) Elucidate how prices are determined in Oligopolistic Markets. 5M
(b) Discuss Price Skimming Strategies with suitable examples. 5M
9. (a) List out the reasons for Inflation and suggest measures to reduce it. 5M
(b) Distinguish between Boom And Recession in Business Cycle with examples. 5M
OR
10. (a) What Anti-inflationary measures do you suggest for containing inflation in India? 5M
(b) What are Cost-Push and Demand-pull inflations? 5M

SECTION-B

(Compulsory question, 01 X 10 10 Marks)

11. Case Study/Problem:

10M

Find price elasticity of, demand at price Rs.7, when price and quantity demanded behave in the following manner.
5M

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

Code: 21E00103

MBA I Semester Supplementary Examinations October 2022
MANAGERIAL ECONOMICS

(Common to all) For students admitted in 2021 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 its relationship with other areas in economics. 10M
OR
2. What are the roles and responsibilities of a managerial economist? Explain. 10M
3. What is law of demand? What are the exceptions to the law of demand? Explain 10M
OR
4. Discuss the different methods available for demand forecasting in brief. 10M
5. Explain the cost-output relationship in the short-run with diagram 10M
OR
6. What is break-even analysis? What are its assumptions and uses? 10M
7. What are the main characteristic features of monopolistic competition? Explain 10M
OR
8. What do you mean by skimming, penetration and loss leader pricing strategies? When and how would you go about using these methods? 10M
9. Describe different types of inflation and effects of inflation 10M
OR
10. What causes the phases of the business cycle? Can business cycles be prevented? 10M

SECTION-B

(Compulsory question, 01 X 10 = 10 Marks)

11. **Case Study/Problem:** 10M

"Mahindra & Mahindra Ltd (MSM) is a manufacturing leader in the utility vehicles (UVs) segment in the Indian automotive industry. Since 2004, M&M has been exporting UVs to South Africa, the only country in the African continent with a significant middle class population M&M has set up a fully owned subsidiary in South Africa, where it has also established a servicing and spare parts infrastructure and a dealer network. This subsidiary enjoyed the growth wave in the South African automotive industry up to 2007, then fell into a three-year slump, largely as a result of a recession in the global automotive industry.

Now on the verge of industry renewal in 2011, the subsidiary needs its next steps in South Africa where most global automotive companies have established either manufacturing or trading outposts in response to South Africa's long-term potential and the industry-friendly policies of its government. The case is positioned as of May 2011, when M&M's subsidiary must choose from among four alternatives M&M can continue with its prevailing business model of importing completely built units (CBUs) from its Indian operations to meet local demand while using South Africa as a re-export hub to target the burgeoning markets in sub-Saharan Africa it can also choose to collaborate with a local vendor to assemble vehicles locally from completely knocked down (CKD) components imported from India

Alternatively, M&M may choose to set up a manufacturing facility of its own in South Africa, a model followed by many of its competitors. Lastly, M&M can choose to wait and watch until it notes definitive signs of revival in demand which would make it more certain of its steps. The case provides an opportunity for students to examine each alternative and make a decision on M&M's way forward in South Africa

Questions:

- (a) What are the macroeconomic and microeconomic factors which will affect Mahindra & Mahindra decision in South Africa?
- (d) Consider you as a Manager of Mahindra & Mahindra of South African division. Which alternative you will select from among the four alternatives mentioned in the case study? Give reasons?

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MBA I Semester Supplementary Examinations October 2020

MANAGERIAL ECONOMICS

(For students admitted in 2017, 2018 & 2019 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

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

- 1 "Managerial Economics helps to arrive at the optimal solution to the various decision-making problems faced by managers of business firms". Justify the statement.
- OR**
- 2 Briefly discuss the emerging management tools of optimization.
- 3 Define demand. What are the determinants of demand? Explain the exceptions to the law of demand.
- OR**
- 4 (a) What happens to the demand for the bikes when the following changes occur:
(i) The price of the bike falls.
(ii) Income of the people increase.
(iii) The price of a competitive bike decreases.
(iv) The price of petrol increases.
(b) Discuss different types of demand with examples.
- 5 With the help of diagrams, explain cost-output relationship in the short run and long run.
- OR**
- 6 (a) Distinguish between isoquants and isocosts.
(b) Discuss various types of economies of scale.
- 7 Explain with examples various pricing strategies adopted by modern day organizations.
- OR**
- 8 Define Market in Economics. Explain with diagram price and output determination under perfect competition.
- 9 Explain different types and causes of inflation.
- OR**
- 10 What are business cycles? Discuss various phases of business cycles.

SECTION – B

(Compulsory question, 01 X 10 = 10 Marks)

11 **Case Study/Problem:**

The demand for a particular brand of readymade shirts is found to vary with the consumer's income and its own price in the following manner:

Demand (units)	Price (Rs. Per unit)	Income (Rs)
3000	750	5000
3600	650	6000
4500	550	7000

Find out the price and income elasticity of demand for the shirts and comment on the nature of elasticity.

MANAGERIAL ECONOMICS
(Common to B&FS and MBA)
(For students admitted in 2020 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION - A

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

- 1 (a) "Managerial economics is the integration of economic theory with business practices for the purpose of facilitating decision-making and forward planning by managers". Explain.
(b) Discuss the roles and responsibilities of a managerial economist

OR

- 2 (a) Discuss the nature and scope of managerial economics and examine its relationship with economics and management.
(b) What are the roles of managerial economist in an organization?

- 3 (a) What do you understand by the term „demand“? Discuss features of demand with the help of an example.
(b) Explain the assumptions of law of demand. Briefly discuss the conditions, under which the law of demand is applicable.

OR

- 4 (a) A consumer purchased 10 packets of Bastar Dairy milk when its price was Rs 5 per packet. He purchased 12 packets of same milk when its price fell to Rs 4 per packet. What is price elasticity of demand for Bastar Dairy milk at that price?
(b) What do you understand by the term „demand forecasting“? How demand of a particular commodity can be forecasted?

- 5 (a) What are the limitations and uses of Break-even analysis?
(b) Explain the Cobb-Douglas production function?

OR

- 6 (a) A firm has declared the following details about its sales:

	Year 1	Year 2
Sales (Rs.)	1,50,000	1,50,000
Profit (Rs.)	15,000	25,000

(i) Calculate PV Ratio. (ii) Find out the firm's BEP. (iii) How much should the company produce and sell to earn profit of Rs.50,000?

- (b) Explain 'Law of returns to scale'

- 7 (a) Explain the difference between perfect competition and imperfect competition.
(b) What do you understand by non-price discrimination? Discuss who can exercise price discrimination in which market structure.

OR

Contd. in page 2

- 8 (a) What is the difference between perfect competition & monopoly? Explain the price determination with diagram under perfect competition.
(b) Distinguish between:
(i) Average revenue and marginal revenue.
(ii) AR under perfect competition and AR under monopoly.
(iii) Profit maximization and sales maximization.

- 9 (a) Discuss the functions that can be performed by managerial economist under different phases of business / trade cycle.
(b) What is inflation and explain its characteristics?

OR

- 10 (a) Discuss the features of recession, trough, expansion and recovery phase of business cycle.
(b) What problems a manager faces while formulating profit policy of a business concern?

SECTION - B

(Compulsory question, 01 X 10 = 10 Marks)

- 11 **Case Study/Problem:**

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:

- (i) Define a monopoly and state its main features.
(ii) Why MUL is called a monopoly? Does it enjoy monopoly in car manufacture?
(iii) In what way do customers suffer from monopoly practices of MUL.
(iv) What do you suggest to remedy the situation?
