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14MBA12

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

Time: 3 hrs.

Max. Marks:100

**SECTION - A***Note : Answer any FOUR questions from Q.No.1 to Q.No.7.*

- 1 Differentiate between a Firm and an Industry. (03 Marks)
- 2 What are Giffen Goods? (03 Marks)
- 3 What is Isoquant? Depict graphically. (03 Marks)
- 4 What is Break Even Analysis? (03 Marks)
- 5 What are various types of Elasticities of demand? (03 Marks)
- 6 What do you mean by Price discrimination? (03 Marks)
- 7 Distinguish between Fixed cost and Variable cost. (03 Marks)

**SECTION - B***Note : Answer any FOUR questions from Q.No.1 to Q.No.7.*

- 1 Explain Economics and Diseconomics of scale. (07 Marks)
- 2 What is Break Even Point? What are the practical application of Break Even Analysis? (07 Marks)
- 3 Explain the features of Monopoly. (07 Marks)
- 4 Explain the relationship between Marginal cost and Average cost. (07 Marks)
- 5 Explain the various determinants of demand. (07 Marks)
- 6 Explain the role and functions of comptroller and Auditor General of India (CAG). (07 Marks)
- 7 Calculate the Average fixed cost, Average Variable cost, Average total cost and Marginal cost per unit from the following data : (07 Marks)

Unit of output	0	6	16	29	44	55	60
Total fixed cost	150	150	150	150	150	150	150
Total variable cost	0	50	100	150	200	250	300

**SECTION - C***Note : Answer any FOUR questions from Q.No.1 to Q.No.7.*

- 1 What is Oligopoly? Brief out the main features of oligopoly market. (10 Marks)
- 2 Discuss the nature and scope of economics. (10 Marks)

- 3 Define National Income. What are the problems faced in measuring National Income? Explain. (10 Marks)
- 4 Explain the phases of Business cycle in detail. (10 Marks)
- 5 What are the Impact of Globalization on Indian Economy? (10 Marks)
- 6 The studies have fixed the short run price elasticity of demand for petrol at a petrol pump at -0.20. Suppose that because of International conflicts, there is a sudden cut off crude oil supplies. As a result, Indian suppliers of petrol drop by 10%.
- If the petrol was selling for Rs 24/litre before the cutoff, how much of a price increase would you expect to see in coming month.
  - Suppose the Government of India imposes a price limitation on petrol at Rs 24/litre. How would the relationship between consumer and petrol pump owner change? (10 Marks)
- 7 Suppose Mr. Gangadhar is the Manager of watch making firm operating in a competitive market. The cost of production of his firm is given by  $TC = 10,000 + Q^2$ . When is the level of output and TC is the total cost. The Marginal cost of production is  $2Q$ . The fixed cost of production is Rs 10,000.
- If the price of watch is Rs 600, how many watches should Mr. Gangadhar produce to maximize profit?
  - What will be the profit level?
  - At what minimum price will the firm produce a positive output? (10 Marks)

**SECTION - D**

**CASE STUDY – [ Compulsory ]**

A book publishing company has a total fixed cost incurred on typesetting, proof reading etc, incurred is Rs 50,000/- and variable cost incurred per copy on printing paper, binding , author's royalty per book seller's commission is equal to Rs 15/copy. Suppose he fixes Rs 40 as price per copy of the book.

- What is the break even number of copies of the book printed and sold? (05 Marks)
- If price is fixed as Rs 55/- copy, what is New BE sales. (05 Marks)
- If publisher has a profit objective and making Rs 10,000 on the sales of book at the price Rs 55. How many copies has to be sold? (10 Marks)

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