

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.