



USN

First Semester MBA Degree Examination, Jan./Feb. 2023 Managerial Economics

Time: 3 hrs.

Max. Marks: 100

**Note: 1. Answer any FOUR full questions from Q1 to Q7.
2. Question No.8 is compulsory.**

- 1 a. What is Economics? (03 Marks)
b. Explain Managerial decision making process with suitable example. (07 Marks)
c. Explain Williamson's hypothesis of maximizing managers utility function with graph. (10 Marks)
- 2 a. What is Law of Demand? (03 Marks)
b. Explain the determinants of price elasticity of demand. (07 Marks)
c. Explain the survey method used in demand forecasting. (10 Marks)
- 3 a. What is Break-Even point? (03 Marks)
b. Explain the internal economics of scale. (07 Marks)
c. Explain the determination of Break-even analysis using graph. (10 Marks)
- 4 a. What is a perfect competition? (03 Marks)
b. Explain the barriers to entry in Monopoly market. (07 Marks)
c. In project competitive market the seller is a price taker and not price maker. Explain. (10 Marks)
- 5 a. What is closed economy? (03 Marks)
b. Explain which industries are categorized into primary and secondary industries. (07 Marks)
c. What are the different ways to determine National Income? (10 Marks)
- 6 a. What is meant by Fiscal Policy? (03 Marks)
b. Which are the objectives of monetary policy? (07 Marks)
c. Which are the various monetary measures adopted by RBI? (10 Marks)
- 7 a. List the exceptions to Law of Demand (03 Marks)
b. Explain the price and output determination under Monopolistic competition. (07 Marks)
c. Explain the role of small scale industries in Indian economy. (10 Marks)
- 8 **CAST STUDY**
Pepsi company produces a single article. Following cost data is given about its product.
i) Selling price per unit Rs. 40
ii) Variable cost per unit Rs. 24
iii) Fixed cost per annum is Rs.16,000.
Calculate :
a. PV ratio (05 Marks)
b. BEP (sales) (05 Marks)
c. Sales to earn a profit of Rs.2000 (05 Marks)
d. Profit at sales of Rs.60,000. (05 Marks)

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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.