

BALLARI INSTITUTE OF TECHNOLOGY & MANAGEMENT

(Autonomous Institute under Visvesvaraya Technological University, Belagavi)

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Course Code

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First Semester MBA Degree Examinations, June 2022

MANAGERIAL ECONOMICS

Duration: 3 hrs

Max. Marks: 100

*Note: 1. Answer any FOUR full questions from Question No. 1 to 7.**2. Question No. 8 is compulsory**3. Missing data, if any, may be suitably assumed*

<u>Q. No</u>	<u>Question</u>	<u>Marks</u>	<u>(RBTL:CO:PO)</u>
1.	a. Make use of any definition of managerial economics to explain the meaning of managerial economics in your own words.	03	(2 : 1 : 1)
	b. Identify the roles of managerial economist for decision making	07	(2 : 1 : 1)
	c. How managerial economist can utilize Baumol's sales revenue maximization theory for effective functioning of a firm.	10	(2 : 1 : 1)
2.	a. Discuss the Law of demand	03	(2 : 2 : 2)
	b. Identify the determinants of demand for FMCG.	07	(3 : 2 : 2)
	c. Explain price elasticity of demand with suitable diagrams and examples.	10	(2 : 2 : 2)
3.	a. Summarize the meaning of demand forecasting in your own words	03	(2 : 2 : 2)
	b. Examine the Law of supply in detail.	07	(2 : 2 : 2)
	c. Explain consumer opinion survey method with its merits and demerits	10	(2 : 2 : 2)
4.	a. Summarize the meaning of ISO QUANTS in your own words	03	(2 : 3 : 3)
	b. Discuss economies of scale	07	(2 : 3 : 3)
	c. Analyze production function with one variable input.	10	(3 : 3 : 3)
5.	a. Write the meaning of price discrimination in your words with an example	03	(2 : 4 : 4)
	b. Examine perfect competition structure	07	(2 : 4 : 4)
	c. Explain skimming and penetration pricing policy in detail.	10	(2 : 4 : 4)
6.	a. Bring out the meaning of monetary policy	03	(2 : 5 : 5)
	b. Explain the role of SME's in Indian economy	07	(2 : 5 : 5)
	c. Critically evaluate 1991 Policy.	10	(3 : 5 : 5)
7.	a. Bring out the meaning of ISO-COST Line	03	(2 : 3 : 3)
	b. Examine uses of BEA in managerial decisions	07	(2 : 3 : 3)
	c. Sales = Rs. 40,000; Fixed cost = Rs. 7500; Variable cost = Rs. 17,500; Find (i) Contribution (ii) Profit (iii) BEP and (iv) Margin of Safety.	10	(2 : 3 : 3)

Note: (RBTL - Revised Bloom's Taxonomy Level: CO - Course Outcome: PI - Programme Outcome)

8.

Case study

ABC Company is an industrial manufacturing unit specializing in one particular product used in automobile industry, very few competitors there in market. Prices are fairly stable. The company is thinking of reduction in price in order to enhance its market share.

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| a. | What type of market is the company in? | 03 | (3 :4 : 4) |
| b. | Will the reduction in price enhance the market share as expected by the company? | 07 | (3 :4 : 4) |
| c. | What strategy would you suggest to increase its market share without reducing the price? | 10 | (3 :4 : 4) |

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