



Register Number:.....

MBA DEGREE EXAMINATIONS: JAN 2015

(Regulation 2012)

First Semester

MASTER OF BUSINESS ADMINISTRATION

MBA618: Economics For Business

Time: Three Hours

Maximum Marks: 100

Case Study:-

PART A (1 x 20 = 20 Marks)

1. Ram an ambitious entrepreneur wants to enter into mineral water business. In order to start the business he wants to study the micro and macro economy before entering into the business. He approaches you for a consultation on the below mentioned matters. Offer your suggestions (use graphs and give examples wherever necessary). (4)
 - a. What are the demand factors? (6)
 - b. Mention the supply & production factors. (5)
 - c. Into what type of elasticity (Price & Income) does this product fit? (5)
 - d. Summarize the type of market structure for mineral water industry with their characteristics.

Answer all the Questions:-

PART B (10 x 2 = 20 Marks)

2. Define Economics
3. What is opportunity cost?
4. Mention the various factors of demand
5. State the law of supply with graph
6. List the factors of production
7. Define economy of scale
8. What is penetration pricing? Give an example
9. What is non-price competition?
10. Define balance of payment
11. Name the two major flows in an economy.

PART C (4 x 15 = 60 Marks)

12. a) (i) Construct the steps involved in decision making (8)
(ii) Discuss the various areas of business decision making (7)

(OR)

- b) (i) Conclude how price equilibrium (determined) for a product occurs in a free market condition with a neat graph? (8)
(ii) Demonstrate how you will forecast demand for a new product in a market? (7)

13. a) Identify the type of price elasticity for the below mentioned products:

- | | |
|-------------------------|---------------|
| 1) Newspaper | 6) Salt |
| 2) Air conditioners | 7) Onion |
| 3) Shares of Tata Steel | 8) Gold |
| 4) Real Estate | 9) Toothpaste |
| 5) Sugar | 10) Cement |

(OR)

- b) (i) Discuss the various types of returns to scale and its effect on cost. (8)
(ii) Analyze how variable costs & fixed cost affects a product costing? (7)

14. a) (i) Explain the challenges exist in price fixing for product in oligopoly market? (5)
(ii) Discuss any two models of pricing in oligopoly market (10)

(OR)

- b) (i) Determine the sources of monopoly in a market (5)
(ii) Elaborate the various types of price discrimination with examples (10)

15. a) (i) Justify that deflation is more dangerous than inflation (5)
(ii) Analyze how various phases of business cycle affects the business & suggest strategies to overcome it (10)

(OR)

- b) At present India is facing recession. Suggest what changes should be made in monetary & fiscal policies to boost-up the economy.
