



MBA DEGREE EXAMINATIONS: NOV/DEC 2023

(Regulation 2021)

First Semester

MASTER OF BUSINESS ADMINISTRATION

P21MBC1101: Managerial Economics

COURSE OUTCOMES

- CO1:** Explain the role of managerial economics in decision making.
- CO2:** Infer the demand and supply conditions and assess the position of the company.
- CO3:** Summarise the competitive strategies, including costing, pricing, product differentiation, and market environment according to the natures of products and the structures of the markets.
- CO4:** Outline the National Income, Impact of Business cycles and the role of monetary and fiscal policy in promoting economic development.

Time: Two Hours

Maximum Marks: 50

PART A (5Q x 10 Marks = 50 Marks)

Answer to a maximum of 3 pages.

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| 1 | a) | Define managerial economics and explain the role of managerial economics in decision-making within an organization. | CO1 [K ₂] |
| (OR) | | | |
| 1 | b) | “Rural economy sluggishness could impact economic growth”.
Source: Business Line November 29, 2023. Explain all the factors determining the demand for Auto sector or FMCG considering the above scenario. | CO2 [K ₅] |
| (OR) | | | |
| 2 | a) | Explain the different price elasticity of demand with realtime examples and explore the reasons contributing to the downward sloping of demand curve? | CO2 [K ₅] |
| (OR) | | | |
| 2 | b) | “Potato prices in Bengal crash due to slack export demand” –
Business line November 30, 2023 . Appraise the factors influencing the supply in that sector and categorize the circumstances leading to an increase or decrease in supply. Explore the reasons for supply deterrent for a sector. | CO2 [K ₅] |

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| 3 | a) | Explain the relationship between Average & Marginal Costs and Cost and short and long cost-output relationship with appropriate charts.
(OR) | CO3 | [K ₂] |
| 3 | b) | Compare and contrast the pricing strategies of firms in monopolistic competition with those in perfect competition. How does product differentiation in monopolistic competition impact consumer choices? Use a specific industry example to illustrate your points. | CO3 | [K ₂] |
| 4 | a) | RBI's model projects FY25 retail inflation at 4.8%, Source: Business Line, December 20, 2023. Explain the Inflationary trends of India along with 2 other nations. Analyse the reasons for the Inflationary pressures along with the type of inflation prevalent in those nations.
(OR) | CO4 | [K ₄] |
| 4 | b) | How has the Reserve Bank of India's recent monetary policy stance impacted key economic indicators, such as inflation, interest rates, and economic growth, and what are the potential implications for various sectors in the Indian economy | CO4 | [K ₄] |
| 5 | a) | “India's job market remains mute, hiring drops: Report, Source: Business Line, December 05, 2023”. Explain the reasons for unemployment issues in India. Classify the different types of unemployment types.
(OR) | CO4 | [K ₂] |
| 5 | b) | Highlight how 23% surge in direct tax collection to ₹10.6 lakh crore in April-November 2023 align with the current fiscal policy in India, and what factors contribute to the existing fiscal deficit in the country? - Analyse | CO4 | [K ₄] |
