Code: **17BA1T2**

I MBA - I Semester-Regular Examinations – December 2017

MANAGERIAL ECONOMICS

Duration: 3hours   Max. Marks: 60

SECTION-A

1. Answer the following: **5 x 2 = 10 M**

  a) Explain the Discounting principle.
  b) Write the determinants of Demand.
  c) Evaluate Cobb-Douglas production function.
  d) Write types of different markets.
  e) Write about Macro economic variables.

SECTION – B

Answer the following: **5 x 8 = 40 M**

2. a) What is Managerial economics and explain relationship of
       Managerial economics with other areas in economics.
                          (OR)
   b) Write about the role of Managerial economist in Managerial
      Decision making.

3. a) Explain the Measurement of price elasticity of demand.
                          (OR)
   b) What is supply? Explain the law of supply and elasticity of
      supply.

4. a) What is cost analysis? Explain cost-output relationship in the short run and long run.

<div align="center">(OR)</div>

b) What do you mean by production? Explain production function with two variable inputs.

5. a) What is Market structure? Compare and contrast in between perfect competition and monopoly.

<div align="center">(OR)</div>

b) Explain Pricing methods and pricing practices adopted by firms.

6. a) Describe the methods of measuring National income.

<div align="center">(OR)</div>

b) What is Profit management and explain the nature, scope and theories of profit?

<div align="center">

SECTION-C

</div>

7. Case Study   **1x10=10 Marks**

A firm has two products B and C. The particulars of the price per unit, variable cost per unit and percentage of share in the total sales volume are given in the following table.

Product Mix – I

Products	Selling price	Variable cost	% of Share
B	Rs. 40	Rs. 16	40%
C	Rs. 50	Rs. 20	60%

The total fixed costs during the year amount Rs. 1,00,000. The total volume of sales is Rs. 8,00,000.

The company wants to drop product B as it is yielding less contribution per unit. Instead it wants to add product D. If D is added, the new scenario will be as give below:

Products	Selling price	Variable cost	% of Share
C	Rs. 50	Rs. 20	70%
D	Rs. 60	Rs. 24	30%

Do you recommend the change?