Registration No :

1st Semester Back Examination 2018-19
ECONOMICS FOR MANAGEMENT
BRANCH : MBA
Time : 3 Hours
Max Marks : 100
Q.CODE : E815
Answer Question No.1 (Part-1) which is compulsory, any EIGHT from Part-II and any TWO from Part-III.
The figures in the right hand margin indicate marks.

Part- I

Q1 **Short Answer Type Questions (Answer All-10)** **(2 x 10)**
   a) What are the two basic units of an economy?
   b) What do you mean by value creation?
   c) What are externalities?
   d) What is Giffen paradox?
   e) How is snob effect different from bandwagon effect?
   f) What is economies of scale?
   g) What is National Income?
   h) What is market equilibrium?
   i) Explain opportunity cost.
   j) What is double counting in the value added approach to GDP?

Part- II

Q2 **Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve)** **(6 x 8)**
   a) Why does supply curve generally slope upward?
   b) On what do the techniques of demand forecasting depend upon?
   c) Why marginal cost eventually increases as output increases?
   d) Suppose the price elasticity of demand for a commodity is -1. If the price goes up by 5%, what would be its effect on total revenue?
   e) What are the basic steps involved in all types of decision making process?
   f) What is Price elasticity of demand? Suppose that the price of a product is Rs.15 and quantity demanded at this price is 2000 units. Further suppose that the price falls to Rs 13 as a result the quantity demanded increases to 6000 units, then compute the arc elasticity and explain the result.
   g) When can we be sure that perfect competition leads to a more efficient use of society's resources than monopoly?
   h) A perfectly competitive firm has the following total cost function:

Total output (Units)	Total Cost per unit (Rs)
0	200
1	300
2	420
3	550
4	690
5	840
6	1000
7	1170

How much the firm will produce if the price of the product in the market is Rs 14 per unit? How will it change its output if price rises to Rs 16 per unit?

i) How do you measure GDP and GDP rate of growth?

j) Distinguish between oligopoly and monopoly.

k) Discuss the product life cycle based pricing process.

l) Discuss the contributions of primary, secondary, and tertiary sectors to the economy.

Part-III

Long Answer Type Questions (Answer Any Two out of Four)

Q3   How does the theory of the firm provide an integrated framework for the analysis of managerial decision making across the functional areas of business? **(16)**

Q4   Why is it better to keep a check on business cycle? Is it feasible, keeping in view their obvious and inevitable occurrence? Explain. **(16)**

Q5   You are working for a large TV manufacturer who is facing low sales in recent past. You have been asked to design a pricing strategy to tackle such a situation. What are your advises? **(16)**

Q6   Discuss the law of variable proportions and law of returns to scale with diagram and figures **(16)**