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Total No. of Pages : 03

Total No. of Questions : 15

MBA/MBA(IB) (Sem.-1st)

MANAGERIAL ECONOMICS

Subject Code : MBA-105 (Batch-2012)

Paper ID : [C0105]

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

1. SECTION-A contains SIX questions carrying FIVE marks each and students has to attempt any FOUR questions.
2. SECTION-B consists of FOUR Subsections : UNITS-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.
3. SECTION-C is COMPULSORY and consist of ONE CASE STUDY carrying EIGHT marks.

SECTION-A

1. Explain the law of diminishing marginal utility.
2. What is Production Possibility Curve?
3. Degree of elasticity of demand.
4. Explain features of oligopoly.
5. What is Phillips Curve?
6. What is Demand and Cost pull inflation?

SECTION-B

UNIT-I

7. What is Managerial Economics? How it is related with other disciplines?

OR

8. What are the properties of indifference curve?

UNIT-II

9. Define Demand. What are the determinants of Demand?

OR

10. What are the various techniques to forecast demand?

UNIT-III

11. Differentiate between Monopoly and perfect competition.

OR

12. What are the various economies of Scale?

UNIT-IV

13. Explain various methods to measure national income.

OR

14. What monetary measures could be taken to control inflation?

SECTION-C

CASE STUDY

15. XY owned a petrol-pump at 100th mile-stone on Delhi-Jaipur highway. With the opening up of the economy and the advent of new automobiles, he could observe an exponential growth in traffic on the highway and a steady substantial increase in sales of petrol, diesel etc. The business instinct in him lured to supplement his petrol pump with an air-conditioned retail store. He would stock such goods as are usually required by highway travellers, like ready to eat snacks, cold drinks, chocolates, biscuits, coffee etc. His was the lone store he would charge substantially higher prices. His sales continued to increase as the traffic increased. To attract more customers, XY began to offer ready-to-carry cartons. The idea found a big favor with the customers. During the peak season, he would offer these cartons at discounted price. These sales became the talking point among the highway travellers. Last year, a new big and modern store came to be set-up at 75th milestone on the highway.

It did affect XY business but only marginally. More recently he observed a new store coming up at 90th milestone. He realized that competition had come to his doorsteps. To meet the challenge he permanently reduced the price of the ready-to-carry cartons to half of its existing price. At the end of the year he finds that his sales in general and of cartons in particular had declined by 20 percent.

Questions

- i. Where has XY gone wrong?
- ii. How should he have handled the situation?