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Total No. of Pages : 02

Total No. of Questions : 15

MBA / MBA(IB) (2012 & Onward) (Sem.-1)

MANAGERIAL ECONOMICS

Subject Code : MBA-105

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. SECTIONS-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 Equi-marginal utility.
2. What is a Bandwagon and snob effect?
3. What are the factors that determine elasticity of demand?
4. Explain features of Monopoly.
5. What are Isoquants?
6. What is national income?

SECTION-B

UNIT-I

7. What is managerial economics? Discuss its nature and scope.
8. Evaluate indifference curve approach as a theory of demand.

UNIT-II

9. How demand analysis helps the management in taking various decisions?
10. State briefly the law of variable proportions.

UNIT-III

11. Differentiate between Monopoly and Monopolistic competition.
12. Explain diagrammatically the relationship between AVC and AC.

UNIT-IV

13. Distinguish between GNP and GDP. What are the components of GNP?
14. What are the causes and cures for inflation?

SECTION-C

15. CASE STUDY :

A carton manufacturing firm owned five printing presses to print labels on boxes. These presses differed in size and in the capacity to print multicolored labels. Some of the presses were better suited to printing large volumes than others. In the past management had been uncertain about the allocation of orders to the presses. In many cases it was clear that a certain large order of a certain multicolored label would go on a particular press. But there was uncertainty about the desirability of printing some small, simple orders on the large, complex presses when these presses were idle, especially when there was a backlog of small orders. An accounting firm was called in to advise the printing firm on this issue. Its advice was to compute an hourly rate on each press which would include an allocation of overhead. The hourly rate on the large, complex presses would be the higher labor costs (more pressmen per press), the higher depreciation charges on the press, and the higher allocation of plant wise overhead. These hourly rates would prevent the use of expensive presses on low-value jobs.

Questions :

- a. Evaluate the use of costs in the decisions with which the firm is faced.
- b. Which cost concepts are more pertinent in this case situation?