PAPER ID-411598

Subject Code: KMBN102

Roll No: | | | | | | | | | | | | | |

MBA
(SEM I) THEORY EXAMINATION 2021-22
MANAGERIAL ECONOMICS

Time: 3 Hours *Total Marks: 100*

Note: Attempt all Sections. If you require any missing data, then choose suitably.

SECTION-A **(10X2=20)**

Q.1		Question	Marks	CO
	a	Managerial Economics is a subset of traditional economics. Define.	2	1
	b	Differentiate positive and normative economics.	2	1
	c	Define derived demand and autonomous demand with example.	2	2
	d	Define Delphi method of forecasting.	2	2
	e	Define MRTS with example.	2	3
	f	Show ISO product curve.	2	3
	g	Describe second degree of price discrimination.	2	4
	h	Show Kinked demand curve.	2	4
	i	Differentiate cost push and demand-pull inflation.	2	5
	j	Define GDP and GNP.	2	5

SECTION-B

Attempt any *TWO* of the following: **(15X2=30)**

Q.2	Case Analysis Southwest Airlines is a major carrier based in Texas and has made a strategy of cutting fares drastically on certain routes with large effects on air traffic in those markets. For example, on the Burbank–Oakland route the entry of Southwest into the market caused average fares to fall by 48 per cent and increased market revenue from $21,327 to $47,064 annually. On the Kansas City–St Louis route, however, the average fare cut in the market when Southwest entered was 70 per cent and market revenue fell from an annual $66,201, to $33,101.	Marks	CO
a	Calculate the Price Elasticity of Demand for the Burbank–Oakland and Kansas City–St Louis routes.	15	2
b	Examine the reasons behind the fare reduction on the Burbank–Oakland route be a profitable strategy.	15	2
c	Examine why the fare reduction on the Kansas City–St Louis route may still not be a profitable strategy for Southwest.	15	2

SECTION-C

Attempt all of the following **(5X10=50)**

Q.	Question	Marks	CO
Q.3	(a) Managerial economics tools are widely used in various types of decision making in business. Analyse **OR** (b) Analyse Cardinal Utility Analysis with table and diagram.	10	1
Q.4	(a) Demonstrate the various methods of measuring elasticity demand. **OR** (b) Show law of demand and exceptional cases where it doesn't apply	10	2
Q.5	(a) Show, how a company decides output level with the help of LAC & SACs with suitable diagram. **OR** (b) Show law of variable proportions with suitable table and graph.	10	3

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Q.6	(a) Illustrate the firm's equilibrium in short run and long run under perfect market with diagram. **OR** (b) Outline the differences between monopoly market and monopolistic market.	10	4
Q.7	(a) Assess various methods of computation of National Income. **OR** (b) Assess flow of income in two sector, three sector and four sectors with proper explanation and diagram.	10	5

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