

Code No: **24BA1T2**

**I MBA - I Semester - Regular Examinations  
DECEMBER 2024**

**MANAGERIAL ECONOMICS**

Duration: 3 Hours

Max. Marks: 70

- Note: 1. This question paper contains two Parts: Part-A and Part-B.  
 2. Part-A contains 5 essay questions with an internal choice from each unit.  
 Each Question carries 12 marks.  
 3. Part-B contains one Case Study for 10 Marks.  
 4. All parts of Question paper must be answered in one place

BL – Blooms Level

CO – Course Outcome

**PART - A**

			BL	CO	Max. Marks
<b><u>UNIT – I</u></b>					
1.	a)	What is the concept of opportunity cost in economics? Explain.	L2	CO1	6 M
	b)	List out the steps involved in managerial decision making.	L3	CO1	6 M
<b>OR</b>					
2.	a)	Define the Managerial Economics. Explain its scope.	L2	CO1	6 M
	b)	Describe the principle of Managerial Economics.	L2	CO1	6 M
<b><u>UNIT – II</u></b>					
3.	a)	Infer the Significance of Elasticity of Demand.	L6	CO2	6 M

	b)	Define the meaning of law of supply. Justify its determinants.	L5	CO2	6 M
<b>OR</b>					
4.	a)	Categorize the statistical methods of demand forecasting. Explain.	L4	CO2	6 M
	b)	How do you measure the price elasticity of demand? Discuss.	L3	CO2	6 M
<b><u>UNIT-III</u></b>					
5.	a)	Illustrate the concepts of fixed cost and variable cost with an example of each in a production company.	L3	CO3	6 M
	b)	Distinguish between constant returns to scale and diminishing returns to scale.	L3	CO3	6 M
<b>OR</b>					
6.	a)	Illustrate about the production functions with one input variables.	L3	CO3	6 M
	b)	Evaluate the cost output relationship with short run.	L5	CO3	6 M
<b><u>UNIT – IV</u></b>					
7.	a)	Break down the types of different market structure.	L4	CO4	6 M
	b)	Differentiate between monopoly and monopolistic competition.	L3	CO4	6 M
<b>OR</b>					
8.	a)	Enumerate the factors influencing pricing strategies.	L3	CO4	6 M

	b)	Explain the characteristics of perfect competition.	L2	CO4	6 M
<b><u>UNIT – V</u></b>					
9.	a)	Demonstrate the importance of National Income Analysis.	L2	CO5	6 M
	b)	Interpret the characteristics of Business Cycles.	L3	CO5	6 M
<b>OR</b>					
10.	a)	Explain the basic phases of Business Cycles.	L3	CO5	6 M
	b)	What are the methods of measuring National Income? Discuss.	L2	CO5	6 M

### **PART – B**

	<b>CASE STUDY</b>	BL	CO	Max. Marks
11.	The price of raw sugar recently reached its highest level since 1981 due to problems with supply. Historically, raw sugar has traded at between 10 and 12 US cents per pound at the New York Board of Trade. But the price increased to over 18 cents last month. Growing demand in Brazil for sugar to be turned into ethanol for fuel, coupled with a sharp fall in Indian production have both been factors in the price increase. Sugar production in India for 2008-09 fell 45% year-on-	L5	CO2	10 M

year due to less rain in the monsoon season damaging several agricultural crops. The London-based International Sugar Organization predicts that global consumption of sugar is likely to outstrip production by 9m tones next year, forcing food companies and governments to dig into stockpiles.

In the US, snack producers including Mars, Nestlé and Krispy Kreme Doughnuts put pressure on the US government to relax import controls, warning that otherwise they might run out of sugar. Commentators predict that most shoppers will be unaffected because sugar is such a small part of a consumer's typical spending in a week that no one will notice an increase in price.

**Questions:**

- i) Explain, using supply and demand analysis, why the price of sugar has been increasing recently.
- ii) Do you think the supply and the demand for sugar is price elastic or inelastic? Justify your choices and explain whether this means any given change in supply or demand will have a bigger effect on the equilibrium price of quantity.