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20MBA12

**First Semester MBA Degree Examination, Feb./Mar. 2022**  
**Managerial Economics**

Time: 3 hrs.

Max. Marks:100

**Note: 1. Answer any FOUR full questions from Q1 to Q7.**  
**2. Question No.8 is compulsory.**

- 1 a. List out the nature of Managerial Economics. (03 Marks)  
b. Explain in detail the roles and responsibilities of Managerial Economics. (07 Marks)  
c. Calculate BEP if selling price per unit Rs.10, for the fixed cost of 80,000 and variable cost per unit Rs. 5 and calculate margin of safety for actual sales 20,000. (10 Marks)
- 2 a. Define demand and describe its determinants with suitable examples. (03 Marks)  
b. Explain in detail the determinants of price elasticity of demand. (07 Marks)  
c. Critically analyze the advantages and disadvantages of qualitative and quantitative methods of demand forecasting. (10 Marks)
- 3 a. Describe the law of variable proportions. (03 Marks)  
b. Explain the characteristics of ISO-Quants. (07 Marks)  
c. Explain the concept of break even analysis with a neat sketch. (10 Marks)
- 4 a. List out the features of perfect competition. (03 Marks)  
b. Compare the characteristics of an oligopoly with those of a perfect competition, monopoly and monopolistic competition. (07 Marks)  
c. Penetration pricing and entry deterring price are two sides of the same coin. Discuss. (10 Marks)
- 5 a. Elucidate the nature of Indian business environment. (03 Marks)  
b. Explain in details the components of GDP. (07 Marks)  
c. Explain briefly on SWOT analysis for the status of Indian economy. (10 Marks)
- 6 a. Provide a brief note on New Industrial Policy 1991. (03 Marks)  
b. Which of monetary and fiscal measures do you think are more effective in controlling inflation? Give logic in support of your answer. (07 Marks)  
c. Elaborate the recent trends in India's foreign trade. (10 Marks)
- 7 a. List out the various users of elasticity of demand for managerial decision making. (03 Marks)  
b. Explain the production function concept with one variable unit. (07 Marks)  
c. Explain on internal and external environment of India. (10 Marks)

8 Case Study (Compulsory) :

The economic survey 2021 – 22 took note of the fact that India made it to the coveted list of top 50 innovative countries for the first time in 2020, ranking 48<sup>th</sup> among 131 countries in the Global Innovation Index (GII). According to GII, “India along with 3 other economies Vietnam, republic of Maldives and Kenya has the rare distinction of being an innovative achiever for ten consecutive years”, the survey said the Index also pointed out that the country appears to be underperforming in innovation with respect to the size of its GDP. The survey called it as a warning against complacency. “The business sector’s Gross Expenditure on Research and Development (GERD) in USA, China, Japan and Germany is much higher as expected for their level of development. Higher education sector in Canada and Germany also has a larger GERD than their level of development”, the survey read. Similarly, while the government’s contribution is 56% to the GERD, this proportion is less than 20% than the top ten economies.

- a. What are the areas the Govt. of India should focus on for a higher growth trajectory? (05 Marks)
- b. Emphasize the role of private sector in boosting innovation culture in India. (05 Marks)
- c. What India should do now to effectively translate investments in innovation inputs to produce a higher level of innovation outputs? (10 Marks)

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