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**NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, NIET BUSINESS SCHOOL,
GREATER NOIDA**

(An Autonomous Institute Affiliated to AKTU, Lucknow)

PGDM (GLOBAL)

TRIMESTER: I - THEORY EXAMINATION (2024-2025)

Subject: Business And Global Economics

Time: 2.5 Hours

Max. Marks: 60

General Instructions:

IMP: Verify that you have received the question paper with the correct course, code, branch etc.

1. This Question paper comprises of three Sections -A, B, & C. It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.

2. Maximum marks for each question are indicated on right -hand side of each question.

3. Illustrate your answers with neat sketches wherever necessary.

4. Assume suitable data if necessary.

5. Preferably, write the answers in sequential order.

6. No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.

SECTION-A

15

1. Attempt all parts:-

- | | | |
|------|---|---|
| 1-a. | Managerial Economics is best described as: (CO1, K1) | 1 |
| | (a) Application of economic theory to business | |
| | (b) Study of market structures | |
| | (c) Analysis of international trade | |
| | (d) Analysis of macroeconomic factors | |
| 1-b. | Perfectly inelastic demand curve look like (CO2, K1) | 1 |
| | (a) A horizontal line | |
| | (b) A vertical line | |
| | (c) A downward-sloping line | |
| | (d) An upward-sloping line | |
| 1-c. | The cost concept that helps in understanding the additional cost incurred from producing one more unit is (CO3, K1) | 1 |
| | (a) Average Cost | |
| | (b) Total Cost | |
| | (c) Marginal Cost | |
| | (d) Fixed Cost | |
| 1-d. | Select the feature of a monopolistic competition market structure. (CO4, K1) | 1 |
| | (a) Single seller | |

(b)	Many firms with differentiated products	
(c)	No barriers to entry	
(d)	Homogeneous products	
1-e.	Central focus of the economic theory of the firm is (CO5, K2)	1
(a)	Sales revenue	
(b)	Cost reduction	
(c)	Profit maximization	
(d)	Market share expansion	
2.	Attempt all parts:-	
2.a.	Explain the fundamental principles of managerial economics. (CO1, K2)	2
2.b.	Demonstrate the degrees of price elasticity of demand. (CO2, K3)	2
2.c.	Describe how the Law of Diminishing Returns influence production decisions. (CO3, K2)	2
2.d.	Illustrate the main features of perfect competition market. (CO4, K3)	2
2.e.	Analyze resource based theory of firm. (CO5, K4)	2
SECTION-B		15
3.	Answer any <u>three</u> of the following:-	
3-a.	Discuss the Law of Diminishing Marginal Utility and its exceptions. (CO1, K2)	5
3-b.	Explain the uses of elasticity of demand in managerial decision-making. (CO2, K2)	5
3.c.	Examine the law of returns to scale with diagram. (CO3, K4)	5
3.d.	Examine the advantages and disadvantages of price discrimination for both consumers and firms. (CO4, K4)	5
3.e.	Analyze prisoner's dilemma with example. (CO5, K4)	5
SECTION-C		30
4.	Answer any <u>one</u> of the following:-	
4-a.	Explain nature & scope of managerial economics. (CO1, K2).	6
4-b.	A company is considering a price reduction to increase sales. Identify the ways to use utility analysis to predict the outcome. (CO1, K2)	6
5.	Answer any <u>one</u> of the following:-	
5-a.	Analyze the impact of a major competitor's price change on the demand for your company's product. (CO2, K4)	6
5-b.	A product is found to have a unitary elastic demand. Discuss the companies pricing strategy. (CO2, K2)	6
6.	Answer any <u>one</u> of the following:-	
6-a.	Analyze different stages of Returns to Scale with diagram. (CO3, K3)	6
6-b.	Explain the concept of fixed & variable cost (CO3, K2)	6
7.	Answer any <u>one</u> of the following:-	

- 7-a. Evaluate how prices are determined under monopoly? (CO4, K3) 6
- 7-b. Analyze the implications of a price war in an oligopoly market and its effects on prices and output. (CO4,K4) 6
8. Answer any one of the following:-
- 8-a. Evaluate a firm's decision-making process in light of game theory. (CO5,K5) 6
- 8-b. Appraise Nash Equilibrium in Game theory. (CO5,K5) 6

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