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NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA
(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA (Integrated)

SEM: I - THEORY EXAMINATION (2025 - 2026)

Subject: Managerial 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 can best be described as: (CO1,K2) 1
- (a) How managers streamline the production process to achieve cost minimization.
- (b) How firm managers use economic analysis to make business decisions to best use the firm's resources.
- (c) How and when firm managers determine the appropriate plant to build and where to locate it.
- (d) The study of how firm managers make their decisions and the experience they utilize to maximize the net worth of the firm.
- 1-b. The elasticity of demand for a product will be higher: (CO2,K3) 1
- (a) The more available are substitutes for that product
- (b) The more its buyers demand loyalty
- (c) The more the product is considered a necessity by its buyers
- (d) None of these
- 1-c. When all the productive services are increased in a given proportion, the product is increased in the same proportion. This situation is called (CO3,K3) 1
- (a) Law of increasing
- (b) Situation of constant returns
- (c) decreasing return
- (d) none of the above
- 1-d. The market for automobiles is an example of (CO4,K3) 1
- (a) Monopolistic competition
- (b) Duopoly

(c) Differentiated Oligopoly	
(d) Pure Oligopoly	
1-e. Sales Maximisation concept is given by —(CO5,K2)	1
(a) Samuelson	
(b) Adam smith	
(c) Marshall	
(d) Baumol	
2. Attempt all parts:-	
2.a. Distinguish between micro and macro economics.(CO1,K4)	2
2.b. Explain Cross Elasticity of demand. (CO2,K3)	2
2.c. Discuss the shape of Isoquant curve. (CO3,K4)	2
2.d. Discuss Imperfect market structure. (CO4,K3)	2
2.e. Explain pure strategy. (CO5,K3)	2
SECTION-B	15
3. Answer any <u>three</u> of the following:-	
3-a. Discuss the properties of indifference curve. (CO1,K3)	5
3-b. Explain demand. Describe various types of demand. (CO2,K2)	5
3.c. Discuss the Law of Variable proportion.(CO3,K3)	5
3.d. Discuss the price determination process under perfect competition. Explain the feature of price taker under perfect competition. (CO4,K4)	5
3.e. Discuss Prisoners' Dilemma. (CO5,K3)	5
SECTION-C	30
4. Answer any <u>one</u> of the following:-	
4-a. Differentiate between cardinal and ordinal utility. (CO1,K4)	6
4-b. Managerial Economics is essentially the application of microeconomic theory of business decision making. Discuss the statement. (CO1,K3)	6
5. Answer any <u>one</u> of the following:-	
5-a. For the actual demands of 20, 25, 30, 35, use simple exponential smoothing with $\alpha=0.2$ and $\alpha=0.5$ to forecast the next period. Which value of α alpha provides a more accurate forecast (CO2,K3)	6
5-b. Discuss the degrees of price elasticity of demand. (CO2,K3)	6
6. Answer any <u>one</u> of the following:-	
6-a. Discuss the relationship between marginal product, total product and average product with the help of a schedule and diagram. (CO3,K3)	6
6-b. Long run Average Cost Curve is a summation of Short Run cost curves. Explain. (CO3,K3)	6
7. Answer any <u>one</u> of the following:-	
7-a. Explain the features of oligopoly market and the concept of kinked demand curve. (CO4,K2)	6
7-b. Discuss the conditions when price discrimination can be done by a firm.(CO4,K3)	6

8. Answer any one of the following:-

- 8-a. Elaborate on Baumol's Theory of sales Maximization. (CO5,K3) 6
- 8-b. Explain the Marris Theory of Managerial Enterprise. (CO5,K3) 6

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