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

BBA

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. An indifference curve is related to one of the following. (CO1, K1) 1

- (a) Choices and preferences of consumer
- (b) Prices of goods X and Y
- (c) Consumer's income
- (d) Total utility from goods X and Y

1-b. When a small change in price leads to infinite change in quantity demanded, it is called (CO2, K1) 1

- (a) Perfectly elastic demand.
- (b) Perfectly inelastic demand.
- (c) Relatively elastic demand.
- (d) Relatively inelastic demand.

1-c. Variable costs are: (CO3, K1) 1

- (a) sunk costs.
- (b) multiplied by fixed costs.
- (c) costs that change with the level of production.
- (d) defined as the change in total cost resulting from the production of an additional unit of output.

1-d. A firm that is the sole seller of a product without close substitutes called (CO4, K1) 1

- (a) Monopoly
- (b) Oligopoly
- (c) Perfect Competition
- (d) None of these

- 1-e. A discretionary investment in Williamson's model represents (CO5, K1) 1
- (a) An additional investment undertaken by managers in excess of that required for the normal operation of the firm.
- (b) a way of spending surplus profit.
- (c) a gift by managers to shareholders by means of an additional dividend.
- (d) a free and anonymous gift by managers to charity.

2. Attempt all parts:-

- 2.a. List properties of indifference. (CO1, K1) 2
- 2.b. Briefly explain Cross elasticity of demand. (CO2, K2) 2
- 2.c. Elaborate on the reason for downward falling isoquant curve. (CO3, K1) 2
- 2.d. Elaborate on price taker concept. (CO4, K1) 2
- 2.e. Explain mixed strategy. (CO5, K1) 2

SECTION-B

15

3. Answer any three of the following:-

- 3-a. Analyze the role of time perspective principle in business decisions. (CO1, K4) 5
- 3-b. Explain the difference between movement along the demand curve and shift in demand curve. (CO2, K2) 5
- 3.c. Define diseconomies of scale and determine the causes of diseconomies of scale. (CO3, K3) 5
- 3.d. Elaborate on the differences between supernormal profit and normal profit with the help of an example and graph under perfect competition. (CO4, K3) 5
- 3.e. Critically examine the profit maximization as an objective of a firm. (CO5, K5) 5

SECTION-C

30

4. Answer any one of the following:-

- 4-a. Distinguish between Normative and Positive Economics with help of examples. (CO1, K4) 6
- 4-b. Illustrate how macro economic issues like policy changes by government will effect business decision making? Support your answer with example. (CO1, K3) 6

5. Answer any one of the following:-

- 5-a. Find the income elasticity of demand for a consumer if his income rises from Rs. 100 to Rs 200 and the quantity of goods purchased by him rises from 25 to 30 Units. (CO2, K4) 6
- 5-b. Explain demand. Elaborate on various types of demand. (CO2, K2) 6

6. Answer any one of the following:-

- 6-a. Three business school graduates decide to open a business, and all three devote their full time to its management. In your opinion which cost it it explicit or implicit. Explain. (CO3, K3) 6
- 6-b. Chart out the reasons behind shifting manufacturing plants from developed countries to countries like India and China. (CO3, K3) 6

7. Answer any one of the following:-

- 7-a. Compare and contrast monopolistic competition with oligopoly. (CO4, K4) 6

- 7-b. Examine and explain the perfectly competition firm in short run making super normal profits. (CO4, K3) 6
8. Answer any one of the following:-
- 8-a. Differentiate between Baumol's and Marris Model. (CO5,K4) 6
- 8-b. Discuss the noncooperative and cooperative games with reference to prisoner's Dilemma. (CO5, K2) 6

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