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**NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY ,GREATER NOIDA****(An Autonomous Institute Affiliated to AKTU, Lucknow)****MASTER OF BUSINESS ADMINISTRATION (MBA)****(SEM: ..... Theory Examination (2020-2021))****Subject Name: MANAGERIAL ECONOMICS****Time: 3Hours****Max. Marks: 100****General Instructions:**

- All questions are compulsory. Answers should be brief and to the point.
- This Question paper consists of ...02.....pages & ...8.....questions.
- It comprises of three Sections, A, B, and C. You are to attempt all the sections.
- **Section A** -Question No- 1 is objective type questions carrying 1 mark each, Question No- 2 is very short answer type carrying 2 mark each. You are expected to answer them as directed.
- **Section B** - Question No-3 is Long answer type -I questions with external choice carrying 6 marks each. You need to attempt any five out of seven questions given.
- **Section C** -Question No. 4-8 are Long answer type -II (within unit choice) questions carrying 10marks each. You need to attempt any one part a or b.
- Students are instructed to cross the blank sheets before handing over the answer sheet to the invigilator.
- No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.

**SECTION – A**

1. **Answer all the parts-** **[10×1=10]**
- |   |     |           |
|---|-----|-----------|
| <p>a. Managerial economics generally refers to the integration of economic theory with business:</p> <ol style="list-style-type: none"> <li>1) Ethics</li> <li>2) Management</li> <li>3) Practice</li> <li>4) All of the above</li> </ol>                         | (1) | CO<br>CO1 |
| <p>b. “A rupee tomorrow is worth less than a rupee today” relates to:</p> <ol style="list-style-type: none"> <li>1) Opportunity cost principle</li> <li>2) Discounting principle</li> <li>3) Equi-marginal principle</li> <li>4) Incremental Principle</li> </ol> | (1) | CO1       |
| <p>c. A normal demand curve has _____ shape.</p>  | (1) | CO2       |
| <p>d. If elasticity of demand is very low it shows that the commodity is:</p> <ol style="list-style-type: none"> <li>1) A necessity</li> <li>2) A luxury</li> <li>3) Has little importance in total budget</li> <li>4) Having multiple uses.</li> </ol>           | (1) | CO2       |
| <p>e. Given the price, if the cost of production increases because of higher price of raw materials, the supply:</p> <ol style="list-style-type: none"> <li>1) Decreases</li> <li>2) Increases</li> <li>3) Remains same</li> <li>4) Any of the above</li> </ol>   | (1) | CO3       |
| <p>f. In _____ phase of the laws of returns to factor, TP and MP are falling. MP is negative.</p>   | (1) | CO3       |

- g. The cost of one thing in terms of the alternative given up is called: (1) CO3  
 1) Real cost  
 2) Production cost  
 3) Physical cost  
 4) opportunity cost
- h. In \_\_\_\_\_ market structure, the degree of control over the price of its product by a firm is very large? (1) CO4
- i. The product under monopolistic competition are: (1) CO4  
 1) Differentiated with close substitute  
 2) Perfect substitute  
 3) Differentiated without close substitute  
 4) Homogeneous
- j. Which one of the following is a part of every game theory model? (1) CO5  
 1) Players  
 2) Payoffs  
 3) Probabilities  
 4) Strategies
2. Answer all the parts- [5×2=10] CO  
 a. Discuss time perspective principle of managerial economics? (2) CO1  
 b. What is cross elasticity of demand? (2) CO2  
 c. How is the slope of exceptional demand curve? (2) CO2  
 d. Explain concept of opportunity cost with suitable example. (2) CO3  
 e. Define oligopoly market structure. (2) CO4

#### SECTION – B

3. Answer any five of the following- [5×6=30] CO  
 a. Define ‘Managerial Economics’ Describe its scope and practical significance. (6) CO1  
 b. Discuss the importance of elasticity of demand in managerial decision making. (6) CO2  
 c. What is demand forecasting? Enumerate the objectives of demand forecasting. (6) CO2  
 d. Differentiate short run production function from long run production function. (6) CO3  
 e. What is cost function? Explain the cost concepts-TC, AC, MC. (6) CO3  
 f. Explain the features of Monopoly market structure. (6) CO4  
 g. Discuss the innovation theory of profit. (6) CO5

#### SECTION – C

4. Answer any one of the following- [5×10=50] CO  
 a. Discuss the role & responsibilities of a managerial economist. (10) CO1  
 b. Explain different principles of Managerial Economics. (10) CO1
5. Answer any one of the following-  
 a. What is law of demand? What are the exceptions to the law of demand? (10) CO2  
 b. Elaborate the significance of demand forecasting? Explain any two methods of demand forecasting for the established product. (10) CO2
6. Answer any one of the following-  
 a. Explain with a diagram, the reason for the shape of the long-run average cost curve. (10) CO3  
 b. Define economies of scale. Briefly discuss the internal & external economies of scale. (10) CO3
7. Answer any one of the following-  
 a. How is price and output determination under monopoly different from that under perfect competition? Explain with suitable diagrams. (10) CO4  
 b. Can government intervention helps in controlling monopolies and regulating prices? Support your answer. (10) CO4
8. Answer any one of the following-  
 a. Briefly review the theories of profit. (10) CO5  
 b. What is game theory? What are the applications of game theory in modern business? (10) CO5