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Hall Ticket No | | | | | | | | | | | Question Paper Code: CMB003

Jawaharlal Nehru Technological University Hyderabad

MBA I Semester End Examinations (Supplementary) - July, 2017
Regulation: .–R16
MANAGERIAL ECONOMICS
(Master of Business Administration)

Time: 3 Hours **Max Marks: 70**

Answer ONE Question from each Unit
All Questions Carry Equal Marks
All parts of the question must be answered in one place only

UNIT – I

1. (a) Managerial economics helps in decision making in the frame work of uncertainty and scarcity of resources. Discuss the statement and elaborate with an example. [7M]
   (b) What is the significance of time perspective and discounting principal in business decision making? [7M]
2. (a) Explain the equi-marginal principal and its application in business decision making. [7M]
   (b) Managerial economist tends to rely on the scientific research method in building and empirically testing business- oriented economics models. Discuss all the steps to be taken to solve a business problem. [7M]

UNIT – II

3. (a) Explain Demand and describe its determinants with suitable examples. [7M]
   (b) What do you understand by a shift in demand curve? Enumerate the three possible reasons for such shifts. [7M]
4. (a) Using the regression technique calculate the trend series and forecast demand for the year 2018 from the historical sales data (in millions) given in Table 1 [5M]

Table 1

Year	2012	2013	2014	2015	2016
Sales	10	12	15	14	18

   (b) What is price elasticity and explain different types of price elasticity with suitable graphs and example? [9M]

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UNIT – III

5. (a) Explain Cobb- Douglas production function in detail. [6M]
   (b) What is law of variable proportion? Explain change in production with change in one variable. [8M]

6. (a) Discuss marginal rate of technical substitution? [5M]
   (b) What is marginal product, total physical product and average physical product of a variable factor? Show their behavioral relationship giving a production schedule and diagrammatic representation. [9M]

UNIT – IV

7. (a) Why short run Average cost curve is U shaped? [7M]
   (b) Discuss the cost-output relationship in long run. [7M]

8. (a) Distinguish Economies from diseconomies of scale and suggest two possible cause of each. [7M]
   (b) The average variable cost is constant at Rs.5.00 per unit. The firm is selling 1000 units a week. Average fixed cost is also Rs.5 per unit. The market price for the product is Rs.12.00 per unit.
      i. Calculate the break-even level of output. [7M]
      ii. If the firm sets a target of Rs. 3400 as their weekly profit, how many units of output should it sell?

UNIT – V

9. (a) What is meant by price discrimination? State the necessary condition for price discrimination. Illustrate the three different level of price discrimination with the help of graphs. [10M]
   (b) "Equilibrium under oligopoly is indeterminate". Comment. [4M]

10. (a) Show how the firm's equilibrium, price and output of a monopoly firm are simultaneously determined in the long run. [7M]
   (b) Distinguish between [7M]
      i. Monopoly and Monopolistic Competition
      ii. Oligopoly and Monopolistic Competition

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