



61301

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I Semester M.B.A. Examination, February 2019

(CBCS Scheme)

MANAGEMENT

Paper 1.1 : Economics for Managers

Time : 3 Hours

Max. Marks : 70

SECTION - A

Answer any five of the following questions.

(5×5=25)

1. What are the factors that influence the price elasticity of demand ?
2. What are the causes for different stages of law of variable proportions ?
3. What are the wastes of Monopolistic competition ?
4. How 'National income' assessed in India ?
5. Discuss the concept of contraction in demand.
6. The following relationship between expenditure on advertisement by a firm and its total sale during a specified period is given

Advertisement Expenditure	Sales (units 000)
1	1000
2	2400

Find out advertisement elasticity of demand.

7. Write a note on relationship between Average Revenue and Marginal Revenue under perfect competition.

SECTION - B

Answer any three of the following questions.

(3×10=30)

8. What makes a monopolist practice of policy discrimination ? Under what condition is such a policy adopted ? Is it always harmful ?
9. Explain the producers equilibrium position with the help of Isoquant.

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10. Write short notes on

- 1) Innovation theory of Profit
- 2) Cyert and March Hypothesis (Behavioural theory of firm)

11. An investigation into the demand from room heaters has resulted in the increased trend as follows :

Years	1976	1979	1982	1985
Demand of room heater (In hundred of unit)	40	45	42	53

Fit a linear regression of  $y$  on  $x$  by the least square method and find out the expected number of room heaters to be demanded in the years 1989 and 1990.

**SECTION – C**  
**(Compulsory)**

Case study :

12. Based on the market characteristics of Airline Industry and suggest the type of Market structure it belong to. Give justification of your view. Discuss the market equilibrium conditions applicable for the Airline Industry in short run and long run.