

Printed Page:-

Subject Code:- BSPGDT106

Roll. No:

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NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, MCA INSTITUTE,
GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

PGDM

TRIMESTER: I - THEORY EXAMINATION (20 -20)

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. Identify the focus area of microeconomics. (CO1, K2) 1
- (a) National economic policies
 - (b) Individual consumer behavior
 - (c) Government fiscal policies
 - (d) Global trade balances
- 1-b. Identify the one which is not a type of elasticity. (CO2,K2) 1
- (a) Price elasticity of demand
 - (b) Income elasticity of demand
 - (c) Cross elasticity of demand
 - (d) Supply elasticity of demand
- 1-c. Law of Diminishing Returns states - (CO3,K4) 1
- (a) Output increases indefinitely
 - (b) Output decreases initially, then stabilizes
 - (c) Output increases at a decreasing rate
 - (d) Output increases at an increasing rate
- 1-d. Explain the market structure features many buyers and sellers, with no single firm able to influence the market price. (CO4,K2) 1
- (a) Monopoly

- (b) Oligopoly
 - (c) Perfect Competition
 - (d) Monopolistic Competition
- 1-e. Identify the primary goal of the firm in economic theory. (CO5,K2) 1
- (a) Maximizing profit
 - (b) Maximizing sales
 - (c) Minimizing costs
 - (d) Maximizing revenue
2. Attempt all parts:-
- 2.a. Define microeconomics. (CO1,K1) 2
 - 2.b. Define the Law of Demand. (CO2,K1) 2
 - 2.c. Explain the Law of Diminishing Returns. (CO3,K2) 2
 - 2.d. Define perfect competition and list its key features. (CO4,K1) 2
 - 2.e. Define "satisficing" in the context of the Behavioral Theory of the Firm. (CO5,K1) 2

SECTION-B

15

3. Answer any three of the following:-

- 3-a. Discuss the nature and scope of managerial economics. (CO1,K4) 5
- 3-b. Describe the different types of elasticity of demand. (CO2,K2) 5
- 3-c. Compare and contrast the Law of Diminishing Returns and the Law of Returns to Scale. (CO3,K4) 5
- 3-d. Discuss the characteristics and features of perfect competition, and provide examples of industries that exhibit this structure. (CO4,K2) 5
- 3.e. Discuss the Behavioral Theory of the Firm and how it differs from traditional economic theories. (CO5,K2) 5

SECTION-C

30

4. Answer any one of the following:-

- 4-a. A company is deciding whether to launch a new product line. Discuss ways in which managerial economics can assist in this decision. (CO1,K4) 6
- 4-b. A business has to choose between two investment projects. Evaluate how opportunity cost should be considered. (CO1,K4) 6

5. Answer any one of the following:-

- 5-a. A company notices a 10% decrease in sales after a 5% increase in price. Discuss the types of elasticity it indicates. (CO2 ,K3) 6
- 5-b. A rise in consumer income has led to an increase in the demand for luxury cars. Explain this scenario using income elasticity of demand. (CO2,K2) 6

6. Answer any one of the following:-

- 6-a. Describe a scenario where a firm might experience increasing returns to scale and 6

how it would affect their production strategy. (CO3,K2)

- 6-b. Provide an example of how the Law of Diminishing Returns can impact a firm's production efficiency. (CO3,K4) 6
7. Answer any one of the following:-
- 7-a. A new technology firm is considering entering a market with high entry barriers. Analyze how the firm's entry could affect the existing monopoly. (CO4,K4) 6
- 7-b. A telecommunications company faces increased competition in a previously monopolistic market. Describe the likely changes in pricing and output. (CO4,K2) 6
8. Answer any one of the following:-
- 8-a. Evaluate the decision-making process of a firm using principles from the Behavioral Theory.(CO5,K5) 6
- 8-b. Apply game theory concepts to a competitive market scenario and discuss possible outcomes. (CO5,K3) 6

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