Roll No. ______________ **[Total no. of Pages 01]**

[Total no. of Questions: 10]

MBA (Semester: 1st)

MANAGERIAL ECONOMICS AND POLICY

Subject Code: MBADS1125

Paper ID: [20260105]

Time: 3 Hours **Maximum Marks: 60**

Instructions to Candidates:

1. Section A consists of 10 compulsory short notes of two marks each.
2. Section B consists of Four Units (Unit-I, II, III & IV). Each unit contains two questions of 8 marks each. Attempt one question from each unit.
3. Section C (8 marks). A short case study.

SECTION A **(2 Marks each)**

Q1. Define/ Explain the following:

a) Meaning of Managerial Economics
b) Opportunity cost principle
c) Assumptions of Indifference curve
d) Bandwagon and Snob Effects
e) Cross Elasticity of demand
f) Production Function
g) Difference between returns to factor and returns to scale
h) Differentiate between Perfect competition and monopolistic competition
i) Philips curve
j) Investment Multiplier

SECTION B **(8 Marks each)**

UNIT-I

Q2. Discuss the nature and scope of managerial economics.

Q3. Explain Consumer Equilibrium with the help of indifference curve analysis.

UNIT-II

Q4. Explain the Law of variable proportions.

Q5. Explain the following:

a. Factors determining the elasticity of demand
b. Determinants of demand for consumer product

UNIT-III

Q6. Explain the traditional theory of cost.

Q7. How the price and output decision are taken under perfect competition.

UNIT-IV

Q8. What is concept of National Income ? Discuss various methods of measurement of national income.

Q9. Explain briefly the Keynesian theory of employment.

SECTION C **(8 Marks)**

Q10. A small manufacturing company, GreenTech Widgets, produces eco-friendly home appliances. The company has recently experienced an increase in demand for its products due to rising consumer awareness of environmental issues. However, the company faces rising raw material costs and stiff competition from larger, well-established brands. To remain profitable, GreenTech must decide whether to increase prices, cut production costs, or find ways to increase operational efficiency. The management team is using managerial economics to analyze cost structures, demand elasticity, and the impact of different pricing strategies on profitability. They are also exploring potential long-term contracts with suppliers to stabilize material costs.

Questions:

a) How can GreenTech use managerial economics to determine the optimal pricing strategy in a competitive market while maintaining profitability?

What economic factors should GreenTech consider when deciding whether to cut production costs or improve operational efficiency?