MBHC-1.2

Sl. No.

I Semester M.B.A. Degree Examination, May/June - 2026
MANAGEMENT
Managerial Economics
(CBCS Scheme)

Time : 3 Hours **Maximum Marks : 80**

Instructions to candidates:

All Sections are compulsory.

SECTION - A

Answer any Five questions. Each question carries Five marks. **(5×5=25)**

1. What is income elasticity of demand?

2. What is the importance of GDP?

3. Define the importance of macroeconomics.

4. Differentiate cost control and cost reduction.

5. Mention the uses of long term demand forecasting.

6. Define the term market equilibrium.

7. What is average revenue and marginal revenue?

SECTION - B

Answer any Four questions. Each question carries Ten marks. **(4×10=40)**

8. Examine critically the law of demand. Discuss different types of demand.

9. What is Inflation? Discuss the effects and causes of inflation.

10. Cost forecasting is a fundamental concern of managerial economics. Discuss cost function.

11. Explain the characteristic of perfect competitive market and Oligopoly market.

12. What is break even analysis? State its limitations and uses. And also mention about margin of safety.

13. Briefly explain the phases of business cycle.

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SECTION - C

14. Case (Compulsory). **(1×15=15)**

The oil market has always played a significant role in shaping the global economic and political developments. Oil has predominantly occupied the major market share in energy consumption and was expected to maintain its 40% market share till 2020. Thus, time and again, the rise in oil prices have been creating ripples in the world's socio - economic milieu since 1948. In the time frame between 1948 till date, oil prices have experienced an umpteen number of rises and falls. Could this be attributed to the disequilibrium in demand and supply, or to the increased speculation in the oil market? Analysts said that the high prices were a result of the paper prices i.e. in the commodity market. Market watchers had pointed out the increase in trading of oil futures contracts by the hedge funds. Some analysts pointed out that the steady increase in money supply in the world's leading economies led oil prices to rise. Moreover, they stressed that actually the inflation adjusted prices had fallen below the 1979 level.

Questions:

a) Analyse the oil demand and supply factors

b) Analyse the factors behind the fluctuations in the world oil prices.
