MBHC-1.2

Sl. No.

I Semester M.B.A. Degree Examination, October/November - 2025

MANAGEMENT

Managerial Economics

(CBCS Scheme)

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

SECTION - A

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

1. What is price inelasticity of demand? What is its implication?

2. State the factors of Demand forecasting.

3. Write a note on economies of scale.

4. Highlights the important features of monopoly.

5. What is Break-Even Analysis? What are its assumptions?

6. State the features of Law of Demand.

7. Differentiate between micro and macro economics.

SECTION - B

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

8. Explain the features of monopolistic competition.

9. Differentiate between GDP and GNP in detail.

10. Elucidate how to determine price under perfect competition.

11. Explain the law of variable proportions.

12. Explain the types of price elasticity of demand with diagram.

13. Discuss the various phases of Business cycle.

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SECTION - C

14. Case (Compulsory). **(1×15=15)**

BAJAJ X Pvt Ltd was established in 2005. The company started manufacturing of water Geyser with a brand name of Bajaj. During initial 10 years, the company made good profits. But, its profits gradually declined due to competition from national brands. The promoters of the company had a committed team of workers who were constantly working on Research and Development. Finally, they came out in the year 2016, with an innovative product named BAJAJ X which runs even at very low voltage and consumes less electricity. Thus, the company is monopoly manufacturer of "BAJAJ X". The company is currently supplying products in geographically separated markets at Punjab and Haryana. The company is currently charging the same price in Punjab and Haryana. The Chief Economist of the company has informed the top management that price elasticity of demand at currently charged price is 3 in Punjab and 5 in Haryana. The top management is planning to charge two different prices in Punjab and Haryana in order to make more profits.

Questions:

a) Will it be possible for the company to charge two different prices in Punjab and Haryana? If yes, under what conditions? Explain.

b) Will it be profitable for the company to charge two different prices in Punjab and Haryana? Explain.

c) State the factors which give rise to monopoly.
