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NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA

SEM: I - THEORY EXAMINATION (2023-2024)

Subject: Managerial Economics

Time: 3 Hours

Max. Marks: 100

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

20

1. Attempt all parts:-

- 1-a. When a firm's average revenue is equal to its average cost, it gets _____.(CO1) 1
- (a) Supernormal profit
- (b) Normal profit
- (c) Subnormal profit
- (d) None of these
- 1-b. _____ is an economic situation with increased investment and increased price.(CO1) 1
- (a) Recession
- (b) Boom
- (c) Recovery
- (d) None of these
- 1-c. _____ demand forecasting is related to the business conditions prevailing in the economy as a whole.(CO2) 1
- (a) Macro level
- (b) Industry level
- (c) Firm level
- (d) None of these
- 1-d. _____ is the base of marketing planning.(CO2) 1

- (a) Demand analysis
(b) Demand function
(c) Demand forecasting
(d) None of these
- 1-e. _____ means the total receipts from sales divided by the number of unit sold.(CO3) 1
(a) Average revenue
(b) Total revenue
(c) Marginal revenue
(d) None of these
- 1-f. Tea and coffee are.(CO3) 1
(a) Complimentary goods
(b) Substitute goods
(c) Supplementary goods
(d) None of these
- 1-g. _____ product will never be zero or negative.(CO4) 1
(a) Marginal
(b) Total
(c) Average
(d) None of these
- 1-h. In the long run all input become _____. (CO4) 1
(a) Fixed
(b) Variable
(c) Semi variable
(d) None of these
- 1-i. A situation where the firm is not in a position to recover its variable costs at the prevailing prices is known as:(CO5) 1
(a) Equilibrium point
(b) Optimum point
(c) Saturation point
(d) None of these
- 1-j. The interrelation between innovations and investment opportunity was first pointed out by: (CO5) 1
(a) Schumpeter
(b) Samuelson
(c) T. R. Hicks
(d) None of these

2. Attempt all parts:-

2.a.	Distinguish between budget set and budget line.(CO1)	2
2.b.	Define opportunity cost.(CO2)	2
2.c.	Define economies of scale.(CO3)	2
2.d.	Distinguish between supernormal and normal profit.(CO4)	2
2.e.	Explain accounting profit.(CO5)	2

SECTION-B

30

3. Answer any five of the following:-

3-a.	Define indifference curve. Explain properties of indifference curve.(CO1)	6
3-b.	Distinguish between micro economics and macro economics.(CO1)	6
3-c.	Briefly explain the factors affecting supply of automobile products.(CO2)	6
3-d.	Define shift in demand curve. Describe the causes of right shift in demand curve.(CO2)	6
3.e.	Briefly explain various types of cost.(CO3)	6
3.f.	Discuss features of monopolistic competition.(CO4)	6
3.g.	Describe the behavioral theory of the firm with suitable examples.(CO5)	6

SECTION-C

50

4. Answer any one of the following:-

4-a.	Explain utility. Outline the differences between cardinal utility and ordinal utility.(CO1)	10
4-b.	Describe the nature and scope of managerial economics. (CO1)	10

5. Answer any one of the following:-

5-a.	Describe in detail about qualitative method of demand forecasting.(CO2)	10
5-b.	List and explain factors affecting demand of electrical vehicles in India.(CO2)	10

6. Answer any one of the following:-

6-a.	Explain the relationship between total cost, total variable cost and total fixed cost with the help of hypothetical schedule and diagram.(CO3)	10
6-b.	Describe the different stages in the law of variable proportions in terms of marginal product. Give reasons behind each phase with the help of a diagram.(CO3)	10

7. Answer any one of the following:-

7-a.	Compare and contrast between supernormal profit and sub normal profit with the help of a graph. (CO4)	10
7-b.	Briefly explain price discrimination. Describe the bases of price discrimination with suitable examples.(CO4)	10

8. Answer any one of the following:-

8-a.	Define price war. Discuss the advantages and disadvantages of price war for a business organization.(CO5)	10
8-b.	Prisoners' Dilemma leads to a suboptimal equilibrium. Explain.(CO5)	10