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Question Paper Code: CMB003



INSTITUTE OF AERONAUTICAL ENGINEERING

(Autonomous)

MBA I Semester End Examinations (Regular) - February, 2017

Regulation: IARE-R16

MANAGERIAL ECONOMICS (Master of Business Administration)

Time: 3 Hours

Max Marks: 70

Answer ONE Question from each Unit

All Questions Carry Equal Marks

All parts of the question must be answered in one place only

UNIT – I

- (a) Explain the nature and scope of managerial economics. Discuss the significant roles of managerial economist in the current growing business scenario. [7M]

(b) The opportunity cost to a firm of using a resource is zero when the market value of the resources is zero. Discuss the statement using relevant examples. [7M]
- (a) How would you apply the knowledge of Economics to the managerial decision making? [7M]

(b) Discuss the fundamental economic principles of managerial economics with its applications. [7M]

UNIT – II

- (a) Why does the normal demand curve slope downwards? Can there be an upward rising demand curve? [7M]

(b) Explain the factors influencing elasticity of supply. [7M]
- (a) Explain the significance of elasticity of demand. [6M]

(b) Discuss different methods of demand forecasting with examples. [8M]

UNIT – III

- (a) How does the output change as its inputs are proportionately increased? Explain [7M]

(b) Discuss the Cobb-Douglas production function. [7M]
- (a) Explain the different periods in production with examples. [6M]

(b) Explain the law of variable proportion with the help of total product, marginal product and average product. [8M]

UNIT – IV

- (a) Explain the relation between cost curves in the short run. [7M]

(b) Discuss the differences with the concept of cost between economists and accountants. [7M]

8. (a) Explain nature and various determinants of cost. [7M]
(b) Distinguish between short run and long run costs with a neat diagram. [7M]

UNIT – V

9. (a) Explain how price is determined under monopoly during short run? [10M]
(b) Explain the features of monopoly with examples. [4M]
10. (a) Explain the determinants of market structure. [7M]
(b) Discuss the Sweezy's kinked demand curve model of oligopoly with its assumptions. [7M]