

Reg. No. :

Question Paper Code : 10193

M.B.A. DEGREE EXAMINATIONS, APRIL/MAY 2023.

First Semester

BA 4103 – MANAGERIAL ECONOMICS

(Regulations – 2021)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. How externalities cause market failure? Give example.
2. Write a short note on fundamental problems of an economy.
3. State the law of Equi-marginal utility?
4. What is meant by marginal rate of technical substitution?
5. What is market structure? What factors determine the market structure?
6. What is meant by Nash Equilibrium?
7. Write a short note on Aggregate demand.
8. Define National Income.
9. State Okun's law.
10. Distinguish between balance of trade and balance of payments.

PART B — (5 × 13 = 65 marks)

11. (a) What is production possibility frontier? How can we show economic efficiency and inefficiency on a production possibility frontier?

Or

- (b) How does the study of managerial economics help a business manager in decision making? Illustrate your answer with examples from production and pricing issues?

12. (a) (i) What is price consumption curve? What is the relationship between price consumption and price elasticity of demand? (5)

(ii) With the help of indifference curve analysis, derive demand curve for a normal commodity? Explain why it slopes downward to the right? (8)

Or

(b) How is short run and long run determined in the context of production of a commodity? How are short run laws of production different from the long run laws of production?

13. (a) Show how under the condition of perfect competition in the long run, the price of a commodity equal to its average and marginal cost.

Or

(b) Explain the equilibrium of a monopoly firm in the short run by using short run AC, MC, AR and MR curves. Why is monopoly price always higher than the competitive price?

14. (a) What do you understand by 'circular flow of income'? Explain with the help of two sector and four sector economy.

Or

(b) Explain how National Income measured through

(i) value added method

(ii) factor income method and

(iii) expenditure method.

15. (a) Discuss on the instrument of monetary policy.

Or

(b) What is IS-LM curve? Explain its derivation.

PART C — (1 × 15 = 15 marks)

16. (a) The Demand and Supply of Mobile App Economy

The app industry in India is ruling the roost of the business world, backed by a dynamic mobile friendly culture and a growing business sense. As per the March 2016 reports of IMAI, India has over 400 million internet users in both urban and rural areas. Rise in total app usage has been registered at 131 percent in the past three years alone, which clearly reveal the rapid penetration of smartphones, usage pattern, demand to supply curves, booming Wi-Fi internet ecosystems and growing cyber awareness.

Since its inception, the app economy has been witnessing a series of frequent innovations and digital delivery of services and is presently focusing on the needs of prospective audiences by providing customizable apps effort to match up with the demand supply analytics. With the graph of web and mobile app developers remarkably growing over the last two years, India is all set to become one of the key players in the app development market. India's leading position and potentials have grasped the attention of leading giants, who are investing billion in the app development segment, ensuring fundamental break through. NASSCOM has already formed a set up to launch around 10,000 new start-ups to accelerate the ecosystems of mobile application.

Case Questions:

- (i) Discuss the interplay of forces of demand and supply in causing the surge in app economy.
- (ii) "A technology product has made inroads into the emerging economy due to changing lifestyle". Discuss the determinant of demand and supply in this context.

Or

- (b) Suppose a firm is planning to expand its production. What are the Factors to be considered for expansion.