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**MBAS 405**

**First Semester M.B.A. Degree Examination, January 2019**  
**BUSINESS ADMINISTRATION**  
**Economics for Managers**

Time : 3 Hours

Max. Marks : 70

**SECTION – A**  
**(Compulsory)**

Sri Dharmasthala Manjunatheshwara /  
College of Business Management, Mangalore  
Post Graduate Centre for Management  
Studies and Research Library

**Note** : Answer to the question should **not** exceed **six** pages. **(1×15=15)**

1. Why managerial economics being considered a central part of each functional area of management ? Discuss.

**SECTION – B**

**Note** : Answer **any five** questions. **Each** question carries **eight** marks. Answer to the question should **not** exceed **six** pages. **(5×8=40)**

2. Explain variation in demand and change in demand.
3. Discuss the practical importance of price elasticity to the firms.
4. Determine the relationship between a total product curve that first increases at an increasing rate and then increases at a decreasing rate and the total cost curve.
5. Explain the law of variable proportions with the help of isoquant curve.
6. How does a firm attain equilibrium under monopoly ? Elucidate with illustration.
7. What is the purpose of forecasting in business ? Explain the uses and limitations of trend method of forecasting.
8. Explain the objectives of pricing policy and what factors are involved in it.
9. Critically evaluate Keynesian theory of Business Cycle.

P.T.O.

**SECTION – C  
(Compulsory)**

**Note :** Answer to the question should **not** exceed **six** pages.

**(1×15=15)**

10. Below is the demand schedule for a product.

Price (Rs./Unit)	Demand (Units/Week)
100	400
90	500
80	600
70	700
60	800
50	900
40	1000

Calculate the price elasticity of demand and comment on your results when :

- the price is reduced from Rs. 90 to Rs. 80 per unit.
- the price is reduced from Rs. 50 to Rs. 40 per unit.