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MBAS 405

I Semester M.B.A. Degree Examination, January 2020

(Choice Based Credit System)

BUSINESS ADMINISTRATION

Economics for Managers

Time : 3 Hours]

[Max. Marks : 70

SECTION - A

(Compulsory)

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

1. Does managerial economics help the business administration students integrate the knowledge gained from other courses? Discuss

SECTION - B

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

2. What happens to the demand when the following changes occur:
 - (a) The price of the commodity decreases
 - (b) Income increases and the commodity is a necessity.
 - (c) Income increases and commodity is inferior good.
 - (d) The price of the substitute good increases.
3. Is price elasticity same throughout a given demand curve? Explain.
4. Discuss the different approaches to forecasting demand for new products.
5. Explain the various cost concepts relevant for decision making at the firm level.
6. Explain laws to returns to variable proportions and the law of returns to scale.

MBAS 405



- 7. How price and output decisions are taken under conditions of oligopoly. Explain with illustration.
- 8. Critically evaluate monetary theory of business cycle.
- 9. Explain the objectives and importance of fiscal policy.

SECTION-C
(Compulsory)

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

- 10. With the help of trend projection method, draw the line of best fit and find out the computed values of sales for the years 2020, 2021 and 2022. Sales for the past five years is given as follows:

Year	Sales (in millions of units)
2015	75
2016	85
2017	80
2018	83
2019	87
