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MBAS 405

First Semester M.B.A. Degree Examination, January 2017
(Choice Based Credit System)
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 is managerial economics / business 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 **five** pages.

(5×8=40)

2. What are the determinants of market demand for a commodity ? How do changes in price, income and advertisement affect the demand for a commodity ?
3. Define income elasticity of demand. Is income elasticity of demand the same for all kinds of consumer goods ? Explain.
4. What are Iso-quants. What are their characteristics ?
5. Discuss the relationship between fixed cost, variable cost, marginal cost and total cost with the help of a diagram.
6. Explain the purpose of short term and long term forecasting.
7. Show graphically price-output determination under monopolistic competition.
8. Critically evaluate dynamic theory and innovation theory of profit.
9. Discuss the important theories of business cycles, and in this connection point out the contribution made by Keynes to the branch of economic theory.

P.T.O.



SECTION – C
(Compulsory)

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

(1×15=15)

10. The annual turnover of the company is as follows :

Year Sales (in thousand of rupees)

2012 29

2013 36

2014 26

2015 36

2016 37

Estimate the annual sales for 2017 with the help of least square method.
