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Sri Dharmasthala Manjunatheswara **MBAS 405**
College of Business Management, Mangalore
Post Graduate Centre for Management
Studies and Research Library

First Semester M.B.A. Degree Examination, June 2023
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. Explain how a monopoly firm reaches its equilibrium in the short and long run.

SECTION – B

Answer **any five** of the following questions. **Each** question carries **eight** marks.
Answer to the question should **not** exceed **five** pages.

(5×8=40)

2. The following series show the sales of fertilisers in A.P. during 1990-95.

Years	Sales (Rs. in Lakhs)
1990	83
1991	92
1992	71
1993	90
1994	169
1995	200

Using the method of least square, find the trend values and estimate the sales for the year 1996.

Using the following demand equation : $Y = -3.2 + 0.62x$

Estimate the demand for a road transport in 1995, if the population is 2,044,000 in a city.

P.T.O.



3. Distinguish between GDP and NDP. Describe the various methods of measuring national income.
4. Briefly review any three theories of profit.
5. Explain the policies and measures to control business cycles.
6. Explain the objectives and importance of monetary and fiscal policy.
7. "Managerial economics is the discipline which deals with the application of economic theory to business management." Discuss.
8. What are isoquants ? Explain the laws of returns to scale.

SECTION – C
(Compulsory)

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

(1×15=15)

9. a) Why does the normal demand curve slope downwards ? Can there be an upward rising demand curve ? Explain with examples.
- b) Suppose individual demand schedule for A, B and C are given as follows :

Price (Rs.)	Demand of		
	A's	B's	C's
5	80	40	40
10	40	20	20
15	20	10	10
20	10	05	05
25	5	0	0

Find out the market demand schedule, draw the market demand curve and calculate elasticity when price falls from Rs. 15 to Rs. 10 and elasticity when price rises from Rs. 10 to Rs. 15.