



I Semester M.B.A. (Day/Evening) Degree Examination, July 2023
(CBCS) (2021 – 22 and Onwards) (Freshers)
MANAGEMENT
Paper – 1.1 : Economics for Managers

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any five** of the following. **Each** question carries **five** marks. **(5×5=25)**

1. What is economic system ? Discuss the different types of economics system with suitable examples.
2. What is elasticity of demand ? Calculate the elasticity of demand in the following conditions.
 - a) Price of apple falls by 10% and demand increases by 15%.
 - b) 8% increase in the demand of coffee on 10% increase in the price of tea.
 - c) Price of car increases by 20% and demand of petrol decrease by 10%.
 - d) 10% increase in the consumption of fruits on 20% increase in income.
3. What is meant by utility ? Discuss the relationship between marginal utility and total utility.
4. What do you mean by circular flow of income ? Discuss the three phases of the circular flow of income.
5. What are the main differences between iso-quant and indifference curves ?
6. Distinguish between Economies and Diseconomies of scale.
7. What is Breakeven analysis ? What is the significance of Breakeven analysis in managerial decision making ?

SECTION – B

Answer **any three** questions. **Each** question carries **10** marks. **(3×10=30)**

8. "The monopolistic can either fix the price or fix supply, he cannot determine the both". Explain this statement and show how a monopolistic fixes the price of his product.



9. What is new industrial policy of 1991 ? Explain the features and its impact on private sector in India.
10. Below are given figures of production (in thousand tons) of a sugar factory

Years	2017	2018	2019	2020	2021	2022
Productions ('000 tons)	77	88	94	85	91	98

Plot the following data on a graph and project the trend of sales for next 3 years.

11. What is meant by price leadership ? Explain the four major variants of price leadership.

SECTION – C

Compulsory question :

(1×15=15)

12. Case Study :

Multiplex Pricing

Multiplex business has gained steady momentum in India. Ticket prices in such multiplexes are adjusted in accordance to the movie, time of the day and the day of the week. Hit movies on a weekend or a holiday are charged the maximum, while during week days, when prices are kept lower, the benefit goes to the audience. Besides taking over the metros, these multiplexes have undertaken the risk of broadening their net work to the non-metros. But the game in non-metros is slightly different from that in metros. The profit margin is slightly different in the non-metros, classified according to their affordability, factor taste and preferences. During weekdays, the prices of tickets varies from Rs. 150 to Rs. 200 in the metros and soar up during the weekends at Rs. 200-Rs. 250. The morning show are priced at Rs. 60, Rs. 80 to Rs. 100 during the week, "Customers in these towns would not have the capacity to pay upwards of Rs. 100 for a ticket, hence we have entered these towns under separate brand name of PVR talkies", says Ashok Shukla, Chief executive officer PVR talkies.

Questions :

- What type of pricing strategy do you see in the multiplexes ? Evaluate on the basis of various pricing categories.
- Is this price discrimination or flexible pricing ?
- Evaluate the objective of multiplexes of their pricing strategy.