

UGANDA MARTYRS UNIVERSITY
DEGREE OF BACHELOR OF BUSINESS ADMINISTRATION AND MANAGEMENT,
BSC F&A, BAED...ETC

YEAR I END OF SEMESTER ONE EXAMINATIONS 2022

COURSE NAME: **MANAGERIAL ECONOMICS I / MICRO ECONOMICS I**

TIME: 3 HOURS

INSTRUCTIONS: (a) Answer any **four** questions. All questions carry equal marks.
 (b) Do not write on this question paper.
 (c) **MOBILE PHONES ARE NOT ALLOWED IN THE EXAM ROOM.**

Question One

✓ You have graduated from university and now you are working as a manager in a struggling organization, with practical examples, explain how this course unit is helping you in performing your duties and responsibilities. (25 Marks)

Question Two

✓ As a manager of a company, your company has just produced a new product to be placed on the market and it is now in the process of determining the least price at which to offer the product:

- a) Explain the factors you are to consider when determining this price. (14 Marks)
- b) Why should the company price the product? (11 Marks)

Question Three

As a business expert you have been approached by a market vendor who is confused because though he continues to charge the same price for his product, the orders made by his customers keep varying.

- a) With an appropriate diagram, Illustration this situation for your client. (10 Marks)
- b) Help your client to understand the conditions which could be leading to this market situation. (15 Marks)

Question Four

As a production manager of a firm producing Commodity X, you have realized the demand for this commodity exceeds what the firm produces. Suggest practical measures to close this gap. (25Marks)

Question Five

✓ During the recent Lockdown the price of Beer increased but the media houses reported that its demand reduced by a smaller proportion compared to the proportion of price increase. As an expert

- a) Use a clear diagram to illustrate this situation. (05 Marks)
- b) Explain the factors that could have led to this situation. (20 Marks)

Question Six

✓ You are producing an Energy drink. After other firms realizing that the business is profitable, they have also started producing the same product which is affecting your market negatively.

As an economist,

- a) Without adjusting the price down words, draft other strategies that you are going to use in order to counter these firms. (15 Marks)
- b) How do consumers benefit from such a market situation? (10Marks)

END

