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MASTER OF BUSINESS ADMINISTRATION (M.B.A.)
EXAMINATION : DECEMBER -2023
SEMESTER - I
Sub: Managerial Economics (MBA102)

Date: 13/12/2023

Total marks: 60

Time: Time: 2.00pm to 4.30pm

SECTION – I

Q. 1. Fill in the blanks. (5)

1. What happens when the market price is above the equilibrium price?
 - a) Surplus
 - b) Shortage
 - c) Equilibrium
 - d) No impact on quantity demanded or supplied
2. Indifference curves represent combinations of goods that give the consumer
 - a) Maximum utility
 - b) Minimum utility
 - c) Constant utility
 - d) Fluctuating utility
3. In long run production function , land become..
 - a) Fixed Factor
 - b) Physical Factor
 - c) Variable Factor
 - d) Important Factor
4. Oligopoly is characterized by:
 - a) Many firms selling identical products
 - b) A single firm dominating the market
 - c) A few large firms dominating the market
 - d) Firms selling differentiated products
5. A budget line represents the various combinations of two goods that a consumer can afford, given:
 - a) Unlimited budget
 - b) Limited income and prices of goods
 - c) Constant prices
 - d) Constant utility

Q. 2. Answer the following. (Any Two) (20)

1. Explain the Short Run Production Function with law of variable proportions .
2. Discuss the law of diminishing marginal returns related to cardinal utility .
3. Explain the profit maximization under Monopoly.
4. Explain the concept of Price Elasticity of Demand with all its types.

Q. 3. Write notes on. (Any Two) (10)

1. Describe the concept of market equilibrium and the forces that lead to its establishment.
2. Explain the key features of perfect competition
3. Explain the key differences between cardinal and ordinal utility theories

SECTION – II

Q. 4. Case Study

(15)

The Widget industry is a diverse market with numerous players engaged in the production and sale of widgets, which are standardized and easily substitutable. Different firms have varying levels of market power, and the government has minimal intervention. As an MBA student, your task is to analyze the given features of the Widget industry and determine whether it belongs to a monopoly, oligopoly, or perfect competition.

1. *Observation:* Based on the scenario, how many firms are actively participating in the production and sale of widgets in the market?
2. Explain how product homogeneity or differentiation affects consumer choices and the overall competitiveness of the market.
3. Analyze the ease of entry for new firms into the Widget industry. Are there significant barriers preventing new entrants?
4. Identify the key factors influencing the pricing decisions of firms in the Widget industry. Consider the role of supply and demand in price determination

Q. 5. Answer the following:

(10)

- a) Explain the types of cost and its relation with the short run and long run production function with suitable diagrams

OR

- b) Using diagrams and examples, illustrate and explain the concept of elasticity of demand and its practical implications for businesses and consumers.