

TILAK MAHARASHTRA VIDYAPEETH, PUNE
MASTER OF BUSINESS ADMINISTRATION (M.B.A.)
EXAMINATION: DECEMBER- 2024
SEMESTER - I

Sub.: Economics for Management (MBA24-102)

Date : 13/12/2024

Total Marks : 60

Time: 10.00am to 12.30pm

- Instructions:** 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

- Q. 1. Write Short notes on (Any Three) (15)**
1. Law of Supply and Supply Curve
 2. Income elasticity of demand
 3. Flexible Exchange Rate system
 4. Types of cost with diagrams
 5. Features of Monopolistic competition
- Q. 2. Answer in detail (Any One) (10)**
1. Discuss the law of demand with its curve , changes and schedule
 2. How a particular product earns profit in the perfect competition market ? Explain it with proper diagram and example
- Q. 3. Answer in detail (Any One) (10)**
1. Explain short run production function with law of variable function
 2. Explain various types of exchange rate and its application in economy
- Q. 4. Answer in detail (Any One) (10)**
1. How oligopoly decided the price and quantity to sale in the market
 2. What are the types of price elasticity of demand ? please draw suitable examples
- Q. 5. Case study (15)**
- Overview:**
 Fresh Bakes, a bakery chain founded in Pune in 2015, has expanded to 50 outlets nationwide. To support its growth, the company adopted several strategies to reduce costs and improve efficiency:
1. **Centralized Production:** Bulk dough and cake bases are prepared at regional centers and sent to outlets.
 2. **Bulk Purchasing:** Secured discounts on large orders of raw materials.
 3. **Technology:** Invested in automation and digital inventory systems to cut waste and enhance productivity.
 4. **National Marketing:** Unified campaigns reduced per-unit advertising costs.
- Results:**
- Per-unit costs dropped by 25%.
 - Brand recognition increased revenue per outlet.
 - Fixed costs remained steady, boosting profitability.
- Challenges:**
- Rising logistics costs for transporting goods from central units to outlets.
 - Maintaining consistent product quality across locations.
- Questions :**
1. How has Fresh Bakes benefited from economies of scale? Use examples from the case.
 2. What steps can Fresh Bakes take to address logistics and quality control challenges?
 3. What should Fresh Bakes consider as it expands to tier-2 cities to sustain its economies of scale?