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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.) (071)/
BBA IN SPORTS MANAGEMENT (472)

EXAMINATION: MAY - 2025

SEMESTER - IV

Sub.: Managerial Economics (BBA23-413)

Date : 22/05/2025

Total Marks : 60

Time: 2.00 pm to 4.30 pm

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

Q. 1. Choose the most appropriate option. (05)

1. Which of the following best defines Managerial Economics?
 - a) Application of economic theories to solve business problems
 - b) Study of economic history
 - c) Analysis of political factors in business
 - d) Study of individual behavior only
2. Marginal cost refers to:
 - a) Additional cost of producing one more unit
 - b) Fixed cost divided by output
 - c) Cost incurred in the past
 - d) Sunk cost
3. Which of the following is NOT a determinant of demand?
 - a) Consumer income
 - b) Price of related goods
 - c) Weather conditions
 - d) Production technology
4. What is the key difference between short-run and long-run production functions?
 - a) All inputs are fixed in the short run
 - b) All inputs are variable in the long run
 - c) Short-run production function includes capital only
 - d) Both (a) and (b)
5. In the long run, firms in Perfect Competition earn:
 - a) Supernormal profits
 - b) Normal profits
 - c) Losses
 - d) High monopoly profits

Q. 2. State True / False (05)

1. Opportunity cost is the cost of all alternatives available to a business
 - a) True
 - b) False
2. The law of demand states that price and quantity demanded are directly proportional
 - a) True
 - b) False
3. The short-run production function assumes that all inputs are variable
 - a) True
 - b) False
4. Price elasticity has no effect on a firm's pricing strategy
 - a) True
 - b) False
5. Recession is the phase of the business cycle where GDP growth is negative
 - a) True
 - b) False

Q. 3. Write Short notes on (Any Three) (15)

1. Causes of Economic Expansion and Boom
2. Demand-Pull vs. Cost-Push Inflation

3. Collusion in Oligopoly
4. Cross Elasticity of Demand
5. Returns to Scale – Increasing, Constant, and Decreasing

Q. 4. Answer in detail (Any Two) (20)

1. Define Managerial Economics. Explain its scope and significance in business decision-making
2. Differentiate between short-run and long-run production functions with examples
3. Discuss the features of a Monopoly market and the reasons for its existence
4. Explain the concept of Oligopoly and its key characteristics.

Q. 5. Case study (15)

A new smartphone company enters a market dominated by two major brands. How should it determine its pricing strategy?

Questions:

1. Define the Market type with its features (Oligopoly)
 2. Compare the outcome of the smartphone band if followed non collusion strategy and collusion strategy
 3. Explain the results if brand entered in perfect competition market with table .
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