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MASTER OF BUSINESS ADMINISTRATION (M.B.A.)
EXAMINATION: DECEMBER - 2025
SEMESTER - I

Sub.: Economics for Management (MBA24-102)

Date : 24/12/2025

Total Marks : 60

Time: 10.00 am To 12.30 pm

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

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| Q. 1. | Write Short notes on (Any Three) | (15) |
| | <ol style="list-style-type: none"> 1. Features of Monopoly 2. Kinked Demand Curve Model 3. Substitution Effect 4. Determinants of Demand 5. Law of Diminishing Marginal Returns | |
| Q. 2. | Answer in detail (Any One) | (10) |
| | <ol style="list-style-type: none"> 1. What is price elasticity of demand? Explain its types, determinants, and practical applications in business decision-making. 2. Explain the concept of market equilibrium with the help of demand and supply schedules and diagrams. Discuss the impact of shifts in demand and supply on equilibrium price and quantity. | |
| Q. 3. | Answer in detail (Any One) | (10) |
| | <ol style="list-style-type: none"> 1. Explain the concept of returns to scale and illustrate the difference between increasing, constant, and decreasing returns to scale. 2. What is perfect competition? Discuss the equilibrium of a firm and industry in the short run and long run. | |
| Q. 4. | Answer in detail (Any One) | (10) |
| | <ol style="list-style-type: none"> 1. Discuss the cardinal utility theory. What are its assumptions, limitations, and contributions towards understanding consumer behavior? 2. Explain the balance of payment and its components with types of deficits. | |
| Q. 5. | Case study | (15) |
| | <p>A retail company notices that when it reduces the price of its premium shampoo from Rs 250 to Rs 230, its weekly sales increase from 1,000 units to 1,350 units. Competitors have not changed their prices. The company now wants to analyse whether further price reduction will be profitable.</p> <p>Questions :</p> <ol style="list-style-type: none"> 1. Calculate the price elasticity of demand based on the given data and interpret whether the demand is elastic or inelastic. 2. Explain how market equilibrium will be affected if the company reduces prices further while supply remains constant. 3. Suggest two managerial pricing strategies the company may adopt based on elasticity results. | |