

TILAK MAHARASHTRA VIDYAPEETH, PUNE
BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.) (071)/
BSC IN BUSINESS ADMINISTRATION (755)/
BBA IN SPORTS MANAGEMENT (472) /
BSC SPORTS MANAGEMENT (770)
EXAMINATION: MAY - 2026

SEMESTER - IV

Sub.: Managerial Economics (BBA23-413/24-413/BSBA24-413/BSC24-413)

Date : 18/05/2026

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. The production function shows the relationship between:
 - a) Price and quantity supplied
 - b) Inputs and outputs
 - c) Consumer income and demand
 - d) Profit and revenue
2. If the price elasticity of demand is greater than 1, the demand is:
 - a) Inelastic
 - b) Elastic
 - c) Unitary elastic
 - d) Perfectly inelastic
3. Under Perfect Competition, firms are:
 - a) Price takers
 - b) Price controllers
 - c) Price makers
 - d) Government-regulated
4. The Law of Demand states that, ceteris paribus:
 - a) Demand increases as price increases
 - b) Demand decreases as price decreases
 - c) Demand increases as price decreases
 - d) Demand remains unchanged regardless of price
5. Marginal cost refers to:
 - a) Fixed cost divided by output
 - b) Sunk cost
 - c) Cost incurred in the past
 - d) Additional cost of producing one more unit

Q. 2. State True / False (05)

1. Incremental analysis is irrelevant in managerial decision-making
 - a) True
 - b) False
2. In the long run, firms can adjust all factors of production
 - a) True
 - b) False
3. Monopolies have full control over pricing and market supply
 - a) True
 - b) False
4. Economic principles in business are static and do not change over time
 - a) True
 - b) False
5. Land is variable factor in short run production function.
 - a) True
 - b) False

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

1. Marginal Analysis in Pricing Strategy
2. Price Elasticity of Demand
3. Factors Affecting Supply
4. Perfect Competition
5. Phases of Business Cycles

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

1. Define Managerial Economics. Explain its scope and significance in business decision-making.
2. Define demand and explain the various determinants of demand with examples.
3. Explain the Law of Variable Proportions and its three stages in short-run production.
4. Discuss the features and profit maximization in monopoly market.

Q. 5. Case study (15)

A government policy reduces subsidies for fertilizers, affecting agricultural production. Analyze how this will impact the supply curve for crops.

Questions:

1. State the law of supply and how fertilizers can be or can't be exception for supply law?
 2. Draw the suitable diagram of the supply of fertilizer before reduction in subsidy and after.
 3. Discuss what steps you could have taken if you are the manager of fertilizer making company.?
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