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MASTER OF BUSINESS ADMINISTRATION (M.B.A.)
EXAMINATION: MAY - 2026
SEMESTER - I

Sub.: Economics for Management (MBA24-102)

Date : 29/05/2026

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

1. Law of Supply
2. Price Elasticity of Demand – Types
3. Factors influencing Elasticity of Demand
4. Indifference Curve – Properties
5. Budget Line – Meaning and Shifts

Q. 2. Answer in detail (Any One) (10)

1. What is perfect competition? Discuss the equilibrium of a firm and industry in the short run and long run.
2. Explain the ordinal utility approach with special reference to indifference curves, budget line, and consumer equilibrium.

Q. 3. Answer in detail (Any One) (10)

1. Distinguish between income elasticity and cross elasticity of demand. Explain their significance in managerial economics with suitable examples.
2. What is the law of diminishing marginal returns? Explain with real-life agricultural and industrial examples.

Q. 4. Answer in detail (Any One) (10)

1. Explain the concept of returns to scale and illustrate the difference between increasing, constant, and decreasing returns to scale
2. Define monopoly. Explain the short-run and long-run equilibrium under monopoly with diagrammatic representation.

Q. 5. Case study – (15)

A small farm increases the number of workers on its fixed land (2 acres). The total output changes as follows:

Labour Units	Total Output (kg)
1	50
2	120
3	180
4	210
5	225

Questions :

1. Calculate the Marginal Product of Labour at each stage and identify the point at which diminishing returns begin.
2. Explain why diminishing returns occur in this farm's production function
3. Suggest two ways the farm can increase productivity despite limited land (fixed input).