GL BAJAJ
Institute of Management & Research, PGDM Institute
Greater Noida

FIND YOUR SPARK

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2023-24)
END TERM EXAMINATION (TERM -I)

Subject Name: **Managerial Economics**	Time: **02.00 hrs**
Sub. Code: **PG12**	Max Marks: **40**

Note:

All questions are compulsory. Section A carries 5 marks: 5 questions of 1 mark each, Section B carries 21 marks having 3 questions (with internal choice question in each) of 7 marks each and Section C carries 14 marks one Case Study having 2 questions of 7 marks each.

Kindly write the all the course outcomes as per your TLEP in the box given below:

COs	Statement of Course Outcomes	Bloom's Taxonomy
CO-1	Describe managerial concepts for business decision-making	Understand-L-2
CO-2	Demonstrate understanding of future demand using demand, supply, production, and cost concepts	Apply-L3
CO-3	Differentiate between short run and long run cost functions and interpret production functions	Analyze-L-4
CO-4	Compare and contrast different market structures and pricing strategies	Analyze-L-4
CO-5	Relate macroeconomic environment of business through concepts of national income, business cycles and monetary and fiscal policies.	Analyse-L-4

SECTION – A		
Attempt all questions. All questions are compulsory. 1×5 = 5 Marks		
Questions	CO	Bloom's Level
Q. 1: (A). Discuss the concept of 'opportunity cost' with a suitable example. Q. 1: (B). For a managerial economist, state the significance of short run and long run. Q. 1: (C). Differentiate between marginal cost and incremental cost with a suitable example. Q. 1: (D). Differentiate between explicit cost and implicit cost with a suitable example. Q. 1: (E). 'Managerial Economics is prescriptive rather than descriptive in character'. Discuss.	CO1	L2
SECTION – B		
All questions are compulsory (Each question have an internal choice. Attempt any one (either A or B) from the internal choice) 7 x 3 = 21 Marks		
Questions	CO	Bloom's Level
Q. 2: (A). Your research department estimates that the supply function for television sets is given by $Q_s=2000+3P_x-4P_r-P_w$ where P_x is the price of TV sets, P_r represents the price of a computer monitor, and P_w is the price of an input used to make television sets. Suppose TVs are sold for \$400 per unit, computer monitors are sold for \$100 per unit, and the price of an input is \$2,000. How many television sets are produced?	CO2	L3

Or

Q. 2: (B). DINKS are households with 'double income, no kids', and such households are invading your neighborhood. You decide to take advantage of this influx by starting a take-out food store. You know that the price elasticity of demand for your food from DINKs is 0.5 and the income elasticity of demand is 1.5.From the standpoint of the quantity that you sell, which of the following changes would concern you the most?
a) The number of DINKs in your neighbourhood falls by 10 per cent.
b) The average income of DINKs falls by 5 per cent

	CO	Bloom
Q. 3: (A). 'In a perfectly competitive market, while an industry is a price-maker, an individual firm is a price-taker'. Elaborate. **Or** Q. 3: (B). "Monopolistic competition is a market structure that combines elements of both monopoly and perfect competition". Discuss the key characteristics of monopolistic competition. Provide real-world examples to illustrate the concept of monopolistic competition	CO4	L4
Q. 4: Differentiate between: (A) i) Gross Domestic Product at market price (GDP $_{mp}$) and Gross Domestic Product at factor cost (GDP $_{fc}$) ii) Gross Domestic Product (GDP) and Gross National Product (GNP) iii) Gross National Product(GNP) and Net National Product (NNP) **Or** Q. 4: (B) Explain the roles, objectives, and tools of monetary and fiscal policy in the context of macroeconomic management. Discuss how these policies can be used to address economic challenges, promote stability, and achieve specific economic goals. Provide examples and real-world applications to illustrate your points.	CO5	L4

<u>SECTION – C</u>

Read the case and answer the questions   7×02 = 14 Marks

Questions	CO	Bloom's Level
Q. 5: Case Study: Bake Fresh Corporation produces cookies. A worker costs Rs.100 per day and the firm has fixed cost of Rs.30. Here is the relationship between the no. of workers and output (in dozens of cookies) in a given day:	CO3	L4

Workers	Output	Marginal Product	Total Cost	Average Total Cost	Marginal Cost
1	28				
2	50				
3	67				
4	80				
5	90				
6	95				
7	96				

Questions:
Q5: (A) Fill in the column of marginal product. What pattern do you see?
Q5: (B) Using the information given, fill in all the columns in the table.

Kindly fill the total marks allocated to each CO's in the table below:

Question Number	Cos	Bloom's Taxonomy Level	Marks Allocated
Q. 1:	CO1	L2	5 marks
Q. 2:	CO2	L3	7 marks
Q. 3:	CO4	L4	7 marks
Q. 4:	CO5	L4	7 marks
Q. 5:	CO3	L4	14 marks

Question Number	Cos	Bloom's Taxonomy Level	Marks Allocated
Q. 1:	CO1	L2	5 marks
Q. 2:	CO2	L3	7 marks
Q. 3:	CO4	L4	7 marks
Q. 4:	CO5	L4	7 marks
Q. 5:	CO3	L4	14 marks