PGDM, 2021-23
Managerial Economics
DM-107
Trimester – I, End-Term Examination: October 2021

Time allowed: 1hr. 30 Min.
Max Marks: 30

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper; writing anything except the Roll No will be treated as **Unfair Means.** All other instructions on the reverse of Admit Card should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Total Marks
A	Minimum 3 question with internal choices and CILO (Course Intended Learning Outcome) covered Or Maximum 6 questions with internal choices and CILO covered (as an example)	3*5 OR 2.5*6	15
B	Compulsory Case Study with minimum of 2 questions	15	15
			30

Section A

CILO 1
1.1[a]
Is the following statement true? Discuss with the help of examples - "Demand for a commodity is inversely related to the price of its substitutes". (2.5 marks)

&

1.1[b]
In February 2020, the pandemic had adversely hit China which led to a lockdown being imposed in many regions of China. Did this situation lead to impacting of supply curves of pharmaceutical or electronic products being manufactured in India? Discuss with the help of graphs. (2.5 marks)

OR

1.2[a]
How does change in Technology affect the supply for a commodity? Explain with the help of live examples from any industry. (2.5 marks).

&

1.2[b]
Commodity markets or factor inputs have recorded a broad-based upswing in prices in the recent period. Sharp rebounds in key economies and improvement in international trade have propelled the upsurge said the report. In your perspective would it have had an influence on the supply curve of products such as automobiles etc. Discuss with the help of graphs (2.5 marks).

1

CILO2

2.1
Explain and illustrate consumers' equilibrium using indifference curves. (5 marks).

OR

2.2 [a]
How do the changes in the following factors affect the demand for a commodity? Explain with the help of examples: Income, Advertisement. (2.5 marks)
&

2.2 [b]
What is meant by elasticity of demand? Suppose price elasticity co-efficient for a commodity is estimated at (-)2. What does it mean? (2.5 marks)

CILO 3

3.1 A pen manufacturing unit in a competitive market reaches equilibrium point i.e. MC=MR at an output level of 5,00,000 pens. At this point marginal revenue is Rs.100/ pen. If AC curve intersects vertical straight line joining output axis and the equilibrium point in such a way that cost per unit works out Rs. 80. Work out the total profits earned by an individual unit. [5 marks]

OR

3.2 An electronics unit enjoying patent protection for the newly invented product reaches the equilibrium point at the output level of 2 million units. At this point price per unit works out at Rs. 100 and cost per unit on an average is Rs. 80. What is the total profits earned by this unit? [5 marks]

Section B

Case Study (15 marks)
Analyze the business strategy of the company picked up by you for the class project.
[i] First of all, identify the type of the market it belongs. Provide logical reasons.
[ii] Who are the major competitors in the industry?
[iii] Explore the possibilities of new firms getting attracted.
[iv] If there are possibilities of new firms getting attracted towards the market what is the strategy required to be adhered to?
[v] Provide theoretical framework to support your analysis.