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**SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR
(AUTONOMOUS)**

MBA I Year I Semester Regular Examinations July-2021

MANAGERIAL ECONOMICS

Time: 3 hours

Max. Marks: 60

SECTION – A

(Answer all Five Units 5 x 10 = 50 Marks)

UNIT-I

- 1 a What is asymmetric information? L1 5M
 b “The scope of managerial economics is concerned with micro economics”. L3 5M
 Discuss.

OR

- 2 Write about the relationship of managerial economics with other disciplines. L4 10M

UNIT-II

- 3 a What is Demand forecasting? Explain the various methods. L3 5M
 b Discuss law of demand with example. L1 5M

OR

- 4 What is Demand elasticity? And explain factors affecting the elasticity of Demand. L2 10M

UNIT-III

- 5 Explain production function and its importance in economics. L2 10M

OR

- 6 a What is Economies of scale? Give a short note with an example. L2 5M
 b Describe the Iso-quants and Iso-costs with examples. L2 5M

UNIT-IV

- 7 a Explain Monopoly market with examples. L3 5M
 b What is Monopolistic Competition Market? Explain its features. L3 5M

OR

- 8 What is Market structure? Explain about pricing practices in market. L1 10M

UNIT-V

- 9 Define the Macro economics. Explain its importance in managerial economics. L1 10M

OR

- 10 What is inflation and anti-inflation? Explain the causes and effects of Inflation and anti-inflation. L1 10M

SECTION – B
(Compulsory Question)

11

1 x 10 = 10 Marks

The freezing cold spell at the beginning of 2010 not only increased demand for road salt, (see the additional case study for chapter 6) but it increased demand for gas in the UK. Usage reached 454 cubic metres; the previous record was 449m set in January 2003. The National Grid which is responsible for energy in the UK issued several warnings in a matter of days that demand could outstrip supply and asked supplier so increase the supply. The National Grid also told major gas users, such as power plants, to reduce demand.

Big generators, such as E.On, have both gas-fired and coal-fired power stations and are able to choose between the two. In total, 27 large gas users were asked to switch - 12 in the East Midlands and 15 in the North West.

Questions:

1. Illustrate the effect of the cold spell on the demand for gas using a demand curve diagram.
2. Illustrate the effect of the National Grid instructing major gas users to reduce their demand.
3. Analyse two other factors that you think influence demand for gas.
4. Do you think demand for gas is price elastic or price inelastic? Explain your reasoning.

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