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**SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR
(AUTONOMOUS)
MBA I Year I Semester Regular & Supplementary Examinations May-2022
MANAGERIAL ECONOMICS**

Time: 3 hours

Max. Marks: 60

SECTION – A

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

UNIT-I

- 1 In this competitive world, managerial economics bridges the gap between economic theory and business practice – Discuss. L4 10M

OR

- 2 a Firms are running their operations with different objectives – identify what are they and discuss in detail. L5 5M
b Explain about Managerial theories of firm. L2 5M

UNIT-II

- 3 Demand analysis brings many insights essential for the decision-making process-comment. L5 10M

OR

- 4 a What is elasticity of demand? Explain different methods of measuring price elasticity of demand. L2 5M
b Identify the factors which is influencing the elasticity of demand discuss in detail. L4 5M

UNIT-III

- 5 a What do you mean by production? discuss various factors of production. L1 5M
b What is Cobb-Douglas Production Function? L2 5M

OR

- 6 a Examine the usefulness of break even analysis. L5 5M
b What do you mean by returns to scale? L1 5M

UNIT-IV

- 7 a A firm under perfect competition is a price taker and not price maker, do you agree explain in detail. L5 5M
b Explain different pricing practices in India. L1 5M

OR

- 8 What is price discrimination? Discuss who can exercise price discrimination and in which market structure it can be exercised. L5 10M

UNIT-V

- 9 Justify the significance of national income analysis in managerial economics. L5 10M

OR

- 10 a “Phases of business cycle-steps to avoid business cycles”. Substantiate this statement. L5 5M
b What are the effects of Anti- inflation? How does it affect product market? L6 5M

SECTION – B
(Compulsory Question)

11

1 x 10 = 10 Marks

Despite stiff increase in tariff by Doordarshan (DD) in March 1987 actual revenue declined. This study indicated that the number of small and medium advertisers which was on the increase before the tariff hike has now been on decline. Further there has also been a noticeable shift in favor of 20 and 10 seconds spots from 30 or more second's spots before the hike in tariff. The study found that there has been a steep decline in the actual number of advertisements on Doordarshan. This is across all TV centers and program segments. But it was more significant in the case of channel II of Delhi and Bombay. The second channel of Bombay DD TV had no advertisements since the increase in tariff as against revenue of Rs.15, 000/- to Rs.20, 000/- per month in the corresponding months of the previous year. In case of Delhi DD TV's second channel, the number of advertisements declined from a rate of 40 to 65 per month in May to July 1986 to a rate of 12 to none between May to July 1987. Even the actual revenue has fallen. It was about Rs.55, 000/- to 71,000/- per month in May-June period of 1986. In the current year, however, it developed to Rs.28, 000/- in June and was nil by July 1987.

Questions:

- (i) What happened to revenue after tariff hike for advertisement in DD?
- (ii) Why has revenue declined?
- (iii) Is the price-elasticity of demand for DD TV advertisements high/low/zero?
- (iv) What tariff (or price) policy should DD follow for TV advertisements?

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