

Reg. No. \_\_\_\_\_ Name \_\_\_\_\_

**APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY**  
FIRST TRIMESTER MBA DEGREE EXAMINATION NOV 2018**MBA 13 ECONOMICS FOR MANAGERS**

Max. Marks: 60

Duration: 3 Hours

**Part A***Answer all questions. Each question carries 2 marks*

1. State any four roles of managerial economists in business decision making.
2. Compare between Iso-Quant and Iso-Cost lines.
3. Differentiate Repo rate and Reverse Repo rate.
4. List down four limitations of Break even analysis.
5. Mention any four features of a perfect competition market.

(5x2 marks = 10 marks)

**Part B***Answer any 3 questions. Each question carries 10 marks*

6. (a) Briefly explain the law of demand with the illustration of a demand schedule and a demand curve. (5)
- (b) Explain the classification of various elasticities of demand (5)
7. Explain in detail how the price is determined under perfect competition and monopoly market with the help of a diagram.
8. Elaborate the production function in the short run and long run and its practical applications.
9. Discuss in detail the importance of cartel system and also the various types of cartels.
10. Explain how the long term and short term profits are determined. Also explain the principle of Break Even Analysis.

(3x10 marks = 30 marks)

**Part C***Compulsory question, the question carries 20 marks*

11. Academic and popular discussions of inflation have increasingly emphasized institutional arrangements and social conventions. Terms like “wage drift”, “cost-push”, “monopoly pricing” and “relative shares” appear frequently and often dominate discussions of inflation. Policies to prevent inflation, increasingly, look to control of individual price changes, particularly money wages and the money process of the products produced by large corporations, as means of preventing a rise in the generic price well.
  - a) Explain the importance of monetary and fiscal policies.
  - b) Give four instruments under monetary policy.
  - c) Explain how open market operations function under monetary policy.
  - d) Can inflation be controlled under monetary policy? Substantiate your answer. (5 marks each)

(20 marks)

\*\*\*\*