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 (2022-23)
END TERM EXAMINATION (TERM -II)

Subject Name: Managerial Economics	Time: **02.30 hrs**
Sub. Code: PG24	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). 'Managerial Economics bridges the gap between economic theory and business practice'. Discuss. **Q. 1: (B).** Explain 'incremental cost' concept and state its importance. **Q. 1: (C).** Discuss the concept of 'opportunity cost' with a suitable example. **Q. 1: (D).** Explain the importance of 'discounting principle' **Q. 1: (E).** Examine the significance of the concept of 'time perspective' for a managerial economist.	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). Examine and show graphically the Law of Variable Proportions as explaining short run production behavior. **Or** **Q. 2: (B).** Examine the properties of Isoquant curves and illustrate graphically.	CO3	L4
Q. 3: (A). Examine the main features of market structures. Explain the first and second order conditions of profit maximization. **Or** **Q. 3: (B).** Illustrate short run equilibrium of a firm under perfect competition	CO4	L4

earning profits.

Q. 4: (A). Distinguish between GDP and NDP. Describe the various method of measuring National Income.

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Or

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Q. 4: (B). Examine the concept of inflation. How does it affect economic growth and employment?

| | CO5 | L4 |

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SECTION – C

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

Questions	**CO**	**Bloom's Level**
Q. 5: Case Study: Gagan Pvt. Ltd. was established in 1995. The company started manufacturing of Water Geyser with a brand name of' Ganga'. During initial 10 years, the company made good profits. But, its profits gradually declined due to competition from national brands. The promoters of the company had a committed team of workers who were constantly working on Research and Development. Finally, they came out in the year 2006, with an innovative product, named Maha Ganga which runs even at very low voltage and consumes less electricity. Thus, the company is monopoly manufacturer of Maha Ganga. The company is currently supplying its products in geographically separated markets of Punjab and Haryana. The company is currently charging the same price in Punjab and Haryana. The Chief Economist of the company has informed the top management that price elasticity of demand at currently-charged price is 3 in Punjab and 5 in Haryana. The top management is planning to charge two different prices in Punjab and Haryana in order to make more profits. **Questions:** **Q. 5: (A).** Will it be *possible* for the company to charge two different prices in Punjab and Haryana? If yes, under what conditions? Explain. Again, will it be *profitable* for the company to charge two different prices in Punjab and Haryana? Explain. **Q. 5: (B).** Given the volume of total production, supply will be transferred from Punjab to Haryana or from Haryana to Punjab. Why? (Assume that transport cost for supplying the product and Punjab and Haryana is the same for the company)	CO2	L3

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:	**CO3**	**L4**	**7 marks**
Q. 3:	**CO4**	**L4**	**7 marks**
Q. 4:	**CO5**	**L4**	**7 marks**
Q. 5:	**CO2**	**L3**	**14 marks**

(Please ensure the conformity of the CO wise marks allocation as per your TLEP.)

Blooms Taxonomy Levels given below for your ready reference:

L1= Remembering
L2= Understanding
L3= Apply
L4= Analyze
L5= Evaluate
L6= Create