



**SREENIVASA INSTITUTE OF TECHNOLOGY AND MANAGEMENT STUDIES.
(AUTONOMOUS)
MASTER OF BUSINESS OF BUSINESS ADMINISTRATION**

(MANAGERIAL ECONOMICS)

QUESTION BANK

I – MBA / I – SEMESTER

REGULATIONS: R22



Faculty In charge : Dr. S.Saritha
Designation : Assistant Professor
Department : MBA

I MBA I Semester							
Course Code		MANAGERIAL ECONOMICS		L	T	P	C
22MBA114				4	0	0	4
Course Educational Objectives:							
<p>CEO1 : To impart decision making skills at all levels of managerial problems.</p> <p>CEO2 : To understand the concept of demand, techniques to forecast demand and production analysis considering time factor.</p> <p>CEO3 : To make aware of production function, returns to scale and factors, cost-output relationship and break-even analysis.</p> <p>CEO4 : To understand the market structures and price strategies applicable under different business scenarios for various products.</p> <p>CEO5 : To create awareness on inflation and business cycles.</p>							
UNIT - I	Introduction to Managerial Economics			Lecture Hrs: 8			
Definition, Nature and Scope, Relationship with other areas in Economics, Production Management, Marketing, Finance and Personnel, Operations research - The role of managerial economist. Objectives of the firm: Managerial theories of firm, Behavioural theories of firm, optimization techniques, New management tools of optimization.							
UNIT - II	Theory of Demand			Lecture Hrs: 12			
Demand Analysis – Law of Demand – Demand Schedule – Demand Function - Elasticity of demand, types and significance of Elasticity of Demand. Demand estimation – Marketing research approaches to demand estimation. Need for Demand forecasting, forecasting techniques.							
UNIT - III	Production and Cost Analysis			Lecture Hrs: 12			
Production function, Iso-quants and Iso-costs, Production function with one/two variables, Cobb-Douglas Production Function, Returns to Scale and Returns to Factors, Economies of scale- Cost concepts - cost-output relationship in the short run and long run, Average cost curves - Break Even Analysis.							
UNIT - IV	Market Structure and Pricing Practices			Lecture Hrs: 12			
Features and Types of different competitive situations – Price - Output determination in Perfect competition, Monopoly, Monopolistic competition and Oligopoly. Pricing philosophy – Pricing methods in practice: Price discrimination, product line pricing. Pricing strategies: skimming pricing, penetration pricing, Loss Leader pricing. Pricing of multiple products.							
UNIT - V	Inflation and Business Cycles			Lecture Hrs: 12			
Definition and meaning - characteristics of Inflation- types of inflation - effects of inflation- Anti-Inflationary methods - Definition and characteristics of business cycles- phases of business cycle - steps to avoid business cycle.							
Course Outcomes (CO) :							
On successful completion of the course the student will be able to				POs related to COs			
CO1	Apply basic concepts of economics in decision making at all levels of managerial problems.			PO1			
CO2	Acquire knowledge on forecast demand and production analysis considering time factor.			PO1, PO2, PO4			
CO3	Evaluate the production function, returns to scale and factors, cost-output relationship and break-even analysis.			PO1, PO2			
CO4	Understand the market structures and price strategies applicable under different business scenarios for various products.			PO7			
CO5	Understand about the inflation and business cycles.			PO1			

Textbooks:
<ol style="list-style-type: none"> 1. Managerial Economics, Analysis, Problems and Cases, 17/e, 2011, P.L.Mehta, Sultan Chand & Sons, New Delhi. 2. Managerial Economics, 19/e, 2007, R.L.Varshney and K.L.Maheshwari, Sultan Chand & Sons, New Delhi.
Reference Books:
<ol style="list-style-type: none"> 1. Managerial Economics, 6/e, 2007, D.N.Dwivedi, Vikas Publishing House Pvt. Ltd., Noida. 2. Managerial Economics, 1/e, 2007, H.L.Ahuja, S.Chand & Company Ltd., New Delhi. 3. Economics, 19/e, 2010, Paul A Samuelson and William D Nordhaus, Indian Adaptation by Sudip Chaudhuri and Anindya Sen, Tata McGraw Hill, New Delhi. 4. Macro Economic Theory, 11/e, 2003, M.L.Jhingan, Vrinda Publications Pvt Ltd, New Delhi. 5. Managerial Economics, 19/e, 2007, R.L.Varshney and K.L.Maheshwari, Sultan Chand & Sons, New Delhi
Online Learning Resources:
https://onlinecourses.nptel.ac.in/noc21_mg90/preview https://onlinecourses.nptel.ac.in/noc20_mg67/preview

COs and POs Mapping

CO / PO	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8
CO1	3							
CO2	2	2		2				
CO3	2	3						
CO4							2	
CO5	2							
CO*	2.25	2.5		2			2	



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Question Bank

Course Name : Managerial Economics

Course Code: 22MBA114

S.No	Question	PO Attainment
Unit – I: Introduction to Managerial Economics		
Part – A(2 Marks)		
1	Define Economics	PO1
2	Define Wealth Definition	PO1
3	Explain Welfare Definition	PO1
4	Define Scarcity Definition	PO1
5	Define Managerial Economics	PO1
6	Explain role of managerial economist	PO1
7	Differentiate Between Micro and Macro Economics	PO1
8	Describe optimization techniques	PO1
9	Explain the objectives of the firm	PO1
10	Discuss new management tools of optimization	PO1
Part – B (10 Marks)		
1	Define Managerial Economics. Explain its nature and scope of managerial Economics	PO1
2	Examine the role of managerial economist in an organization	PO1
3	Explain the relationship between managerial economics and other areas	PO1
4	Interpret Marris Managerial Model	PO1
5	Illustrate williamson’s Managerial Model	PO1
6	Explain the optimization techniques in managerial economics	PO1
Unit – II: Theory of Demand		
Part – A (2 Marks)		
1	Define Demand	PO1,PO2,PO4
2	Explain Demand Function	PO1,PO2,PO4
3	What is demand schedule	PO1,PO2,PO4
4	Define Law of Demand	PO1,PO2,PO4



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5	Giffen Goods - explain	PO1,PO2,PO4
6	Explain expansion and contraction of demand	PO1,PO2,PO4
7	Price Elasticity of demand	PO1,PO2,PO4
8	Explain Perfectly inelastic demand	PO1,PO2,PO4
9	Income and cross elasticity of demand	PO1,PO2,PO4
10	Define demand forecasting	PO1,PO2,PO4
11	Explain types of demand forecasting	PO1,PO2,PO4
12	Discuss about the time series analysis in demand forecasting	PO1,PO2,PO4

Part – B (10 Marks Questions)

1	Define Demand. Explain the demand determinants	PO1,PO2,PO4
2	Explain law of demand and its exceptions of law of demand	PO1,PO2,PO4
3	Define Price elasticity of demand and distinguish various types of price elasticity of demand	PO1,PO2,PO4
4	Define Income elasticity of demand and distinguish various types of price elasticity of demand	PO1,PO2,PO4
5	Define Cross elasticity of demand and distinguish various types of price elasticity of demand	PO1,PO2,PO4
6	Discuss about the importance of demand forecasting.	PO1,PO2,PO4
7	Explain the different types of demand forecasting methods	PO1,PO2,PO4

Unit – III: Production and Cost Analysis

Part – A(2 Marks)

1	Define production	PO1,PO2
2	Define law of variable proportions	PO1,PO2
3	What are the types of returns to scale	PO1,PO2
4	Define increasing, constant and decreasing returns to scale	PO1,PO2
5	Definition of cobb-douglus production function	PO1,PO2
6	Explain the different types of iso-quants	PO1,PO2
7	What is mean by producers equilibrium	PO1,PO2
8	Definition of iso-cost	PO1,PO2
9	What are the different types of economies of scale	PO1,PO2



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10	Define cost	PO1,PO2
11	Differentiate between historical and replacement cost	PO1,PO2
12	Differentiate between explicit and Implicit cost	PO1,PO2
13	Explain cost output function	PO1,PO2
14	Define break-even analysis	PO1,PO2
Part – B (10 Marks)		
1	Discuss about the law of variable proportions	PO1,PO2
2	Explain the law of returns to scale	PO1,PO2
3	Illustrate the concept of cobb-douglus production function	PO1,PO2
4	Explain the economies of scale	PO1,PO2
5	Define Cost and explain the different types of costs.	PO1,PO2
6	Explain the cost output relation in short run and long run.	PO1,PO2
7	What is meant by BEP? Explain the importance and limitations of BEP.	PO1,PO2
8	Discuss about the break-even analysis	PO1,PO2
Unit – IV: Market Structure and Pricing Practices		
Part – A (2 Marks)		
1	Define market	PO7
2	Define perfect competition	PO7
3	What is meant by firm equilibrium	PO7
4	What are the assumptions of perfect competition	PO7
5	Define monopoly	PO7
6	Explain the assumptions of monopoly market	PO7
7	What are the differences between perfect competition and monopoly market	PO7
8	Define monopolistic competition	PO7
9	Define oligopoly market	PO7
10	Briefly explain the concept of kinked demand curve	PO7
11	Define price discrimination	PO7
12	What are the different types of oligopoly market	PO7
13	Define skimming pricing	PO7
14	What is mean by penetration pricing	PO7



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15	Explain the concept of loss leader pricing	PO7
16	Discuss about the pricing of multiple products	PO7
Part – B (10 Marks)		
1	Discuss about the perfect competition market	PO7
2	Analyze the concept of monopoly in imperfect competition market	PO7
3	Differentiate between the perfect competition and monopoly.	PO7
4	Generalize the concept of monopolistic competition in present market environment.	PO7
5	Evaluate the concept of oligopoly market.	PO7
6	Explain the different types of pricing practices	PO7
Unit – V: Inflation and Business Cycles		
Part – A (2 Marks)		
1	Define Business Cycle	PO1
2	Explain phases of business cycle	PO1
3	Define inflation	PO1
4	Define inflationary gap	PO1
5	Define demand full inflation	PO1
6	Define cost push inflation	PO1
7	Define structural inflation	PO1
8	Open and suppressed inflation - discuss	PO1
Part – B (10 Marks)		
1	Define inflation and Classify the different types of Inflation	PO1
2	What are the effects of inflation and explain anti-inflationary methods.	PO1
3	Define Business Cycles. Explain the Phases of Business Cycle	PO1
4	What are the steps to avoid business cycles	PO1



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**SREENIVASA INSTITUTE OF TECHNOLOGY AND MANAGEMENT STUDIES (SITAMS): CHITTOOR
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EXAMINATION SECTION

- Use appropriate verbs from the following table for different domains of Bloom's Taxonomy for Framing / preparing questions.

Level	Skill Demonstrated	Question Ques / Verbs for tests
1. Remember	<ul style="list-style-type: none">• Ability to recall of information like, facts, conventions, definitions, jargon, technical terms, classifications, categories, and criteria• Ability to recall methodology and procedures, abstractions, principles, and theories in the field• Knowledge of dates, events, places• Mastery of subject matter	list, define, tell, describe, recite, recall, identify, show, label, tabulate, quote, name, who, when, where, etc.
2. Understand	<ul style="list-style-type: none">• Understanding information• Grasp meaning• Translate knowledge into new context• Interpret facts, compare, contrast• Order, group, infer causes• Predict consequences	describe, explain, paraphrase, restate, associate, contrast, summarize, differentiate, interpret, discuss
3. Apply	<ul style="list-style-type: none">• Use information• Use methods, concepts, laws, theories in new situations• Solve problems using required skills or knowledge• Demonstrating correct usage of a method or procedure	calculate, predict, apply, solve, illustrate, use, demonstrate, determine, model, experiment, show, examine, modify



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4. Analyze	<ul style="list-style-type: none">• Break down a complex problem into parts. Identify the relationships and interaction between the different parts of complex problem.• Identify the missing information, sometimes the redundant information and the contradictory information, if any.	classify, outline, break down, categorize, analyze, diagram, illustrate, infer, select
5. Evaluate	<ul style="list-style-type: none">• Compare and discriminate between ideas assess value of theories, presentations make choices based on reasoned argument verify value of evidence recognize subjectivity use of definite criteria for judgments	assess, decide, choose, rank, grade, test, measure, defend, recommend, convince, select, judge, support, conclude, argue, justify, compare, summarize, evaluate
6. Create	<ul style="list-style-type: none">• Use old ideas to create new ones• Combine parts to make (new) whole, generalize from given facts• Relate knowledge from several areas predict, draw conclusions	design, formulate, build, invent, create, compose, generate, derive, modify, develop, integrate



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