



K. K. Wagh Institute of Engineering Education & Research, Nashik
(An Autonomous Institute From A.Y. 2022-23)

	WINTER-2023		
	Exam Seat No.:		
	Academic Year:2023-2024	Semester:I	
	Name of Programme:MBA	Pattern:2022	
	Name of Course:Managerial Economics	Course Code:MBA22105	
	Max. Marks:60	Duration: 2 Hrs 30 Min	

	<p>Instructions: Candidates should read carefully the instructions printed on the Question Paper and on the cover page of the Answer Book, which is provided for their use.</p> <ol style="list-style-type: none">1. This question paper contains 3 page(s).2. Answer to each new question is to be started on a new page.3. Assume suitable data wherever required, but justify it.4. Draw the neat labelled diagrams, wherever necessary.5. The last columns indicates the Course Outcome and level of Blooms Taxonomy of the Question/sub-question.6. Q1 and Q2 are compulsory. Solve (a) or (b) and (c) or (d) from Q3 to Q5	
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Question No. 1 Attempt following Question

- 1a) Recall below terms. (6) CO1
- 1) Point Price Elasticity of Demand
 - 2) Arc Price Elasticity of Demand
 - 3) Cross Price Elasticity of Demand

Question No. 2 Attempt following Question

- 2a) Define Baumol's Static and Dynamic Model (6) CO1

Question No. 3 Attempt following Question

- 3a) Describe the use of an Expansion path to find out the optimum cost of production. (8) CO2

OR

- 3b) Explain Below terms (8) CO2
- 1) MP_L
 - 2) AP_L
 - 3) MRP_L
 - 4) MRTS

- 3c) Interpret the below data to find out missing values.

(8) CO4

No of Labour	TP	MP _L	AP _L	MRP _L
5	150	C	F	K
10	200	D	G	L
15	A	30	H	M
20	B	50	I	N
25	1000	E	J	O

If MR = 10,000.

OR

- 3d) Interpret the below data to find out missing values.

(8) CO4

No of Labour	TP	MP _L	AP _L	MRP _L
10	200	Z	C	H
20	300	10	D	I
30	X	20	E	J
40	Y	40	F	K
50	1200	B	G	L

If MR = 10,000.

Question No. 4 Attempt following Question

- 4a) Interpret the below data to find out missing values.

(8) CO4

Output	TFC	TVC	TC	AFC	AVC	MC
0	60	0				
1	60	20				
2	60	30				
3	60	45				
4	60	80				
5	60	135				

Find Out the value of TC, AFC, AVC, ATC and MC if TFC = Total Fixed Cost, TVC = Total variable Cost, TC = Total Cost, AFC = Average Fixed Cost, AVC = Average Variable Cost, ATC = Average Total Cost, MC = Marginal Cost

Also find out the optimum combination of labour and capital for 10 units of an output if Price per labour and Price per capital is 10 and we have 80 Rs. in hand to spend. Also we know that 10 Labour and 10 unit of capital produce 10 units of output, 4 Labour and 4 unit of capital produce 10 units of output, 6 Labour and 4 unit of capital produce 10 units of output, 8 Labour and 4 unit of capital produce 10 units of output.

Also comment on cost of labour and cost of capital if 3 units of labour and 3 units of capital produce the same level of output i.e. 10 units.

OR

- 4b) Interpret the below data to find out missing values.

(8) CO4

Output	TFC	TVC	TC	AFC	AVC	MC
0	100	0				
2	100	40				
4	100	60				
6	100	80				
8	100	100				
10	100	150				

Find Out the value of TC, AFC, AVC, ATC and MC if TFC = Total Fixed Cost, TVC = Total variable Cost, TC = Total Cost, AFC = Average Fixed Cost, AVC = Average Variable Cost, ATC = Average Total Cost, MC = Marginal Cost

Also find out the optimum combination of labour and capital for 10 units of an output if Price per labour and Price per capital is 10 and we have 80 Rs. in hand to spend. Also we know that 10 Labour and 10 unit of capital produce 10 units of output, 4 Labour and 4 unit of capital produce 10 units of output, 6 Labour and 4 unit of capital produce 10 units of output, 8 Labour and 4 unit of capital produce 10 units of output.

Also comment on cost of labour and cost of capital if 3 units of labour and units of capital produce the same level of output i.e. 10 units.

- 4c) Illustrate Short run cost curve with diagram. (8) CO2

OR

- 4d) Use Cost – Volume profit analysis to find out break- even point. (8) CO2

Question No. 5 Attempt following Question

- 5a) Describe the concept of Multicollinearity in Regression Analysis (8) CO2

OR

- 5b) Describe the concept of Heteroscedasticity in Regression Analysis (8) CO2

- 5c) Illustrate game theory in Oligopoly market with the use of Prisoner's dilemma example. (8) CO2

OR

- 5d) Explain perfect combination market with its pricing strategy (8) CO2