K. K. Wagh Institute of Engineering Education & Research, Nashik

(An Autonomous Institute From A.Y. 2022-23)

WINTER-2024	
Exam Seat No.:	
Academic Year:2024-2025	Semester:I
Class:FY	Program:MBA
Branch Code:M.B.A.	Pattern:2024
Name of Course:Business Economics	Course Code:2410505
Max. Marks:60	Duration:2.30 Hrs.

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.

1. This question paper contains 2 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

		Marks	CO
Question No. 1			
1a)	Write detailed note on economic principles relevant to Managerial Economics	(6)	CO 1
Question No. 2			
2a)	Explain the need of Arc price elasticity with the help of an example.	(6)	CO 2
Question No. 3			
3a)	Describe the assumptions of perfect competition and illustrate price and output determination in the short run with a graph.	(8)	CO 3
	OR		
3b)	Describe the main features of an oligopoly market structure. Additionally, explain the concepts of cartels and collusions, and illustrate the kinked demand curve.	(8)	CO 3
3c)	Illustrate how a monopolist determines price and output using graphs. Explain price discrimination and discuss its types.	(8)	CO 3
	OR		
3d)	Classify markets based on the degree of competition and provide real-world examples for each type.	(8)	CO 3
Question No. 4			
4a)	What are Iso-Quant and Iso-Cost Curves? Illustrate each with a graph and explain their significance in production theory.	(8)	CO 4
	OR		
4b)	Explain the concepts of short run cost curves and long run cost curves with the help of graphs.	(8)	CO 4
4c)	A firm faces the following demand schedule for its product:	(8)	CO 4

Quantity Sold (Q)	Price (P) (₹)	Total Revenue (TR) (₹)	Average Revenue (AR) (₹)	Marginal Revenue (MR) (₹)

1	100			
2	90			
3	80			
4	70			
5	60			

Calculate the total revenue, average revenue, and marginal revenue for each level of quantity sold

OR

4d) You are provided with the following data for a firm's production process. Fill in the missing values for Variable Cost (VC) Total Cost (TC), Average Fixed Cost (AFC), Average Variable Cost (AVC), Average Total Cost (ATC), and Marginal Cost (MC) in the table below. Assume the Fixed Cost (FC) is ₹1000. (8) CO 4

Labour (L)	Quantity (Q)	Fixed Cost (FC)	Variable Cost (VC)	Total Cost (TC)	Average Fixed cost (AFC)	Average Variable Cost (AVC)	Average Total Cost (ATC)	Marginal Cost (MC)	
2	10	1000	1000						
4	20	1000		3000					
6	30	1000	3000						
8	40	1000	4000						
10	50	1000	5000						

Question No. 5

5a) Critically Analyse the roles and effectiveness of fiscal policy and monetary policy in stabilizing an economy during a recession and inflation. Support your analysis with examples. (8) CO 5

OR

5b) Evaluate the effectiveness of key economic indicators in assessing the economic health of a country. Discuss any limitations and suggest ways to improve their reliability. (8) CO 5

5c) Explain the differences between the 2-sector and 4-sector models of the circular flow of income. Illustrate your explanation with detailed diagrams. (8) CO 5

OR

5d) Discuss the different concepts of national income in detail. Additionally, explain the various methods used to measure national income. (8) CO 5

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