

**D 91604**

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**Name.....**

**Reg. No.....**

**FIRST SEMESTER M.B.A. DEGREE EXAMINATION, JANUARY 2021**

**(CUCSS)**

**M.B.A.**

**BUS 1C 06—MANAGERIAL ECONOMICS**

**(2016 Admissions)**

**Time : Three Hours**

**Maximum : 36 Weightage**

**Section A**

*Answer all questions.*

*Each question carries 1 weightage.*

1. What is Fiscal Policy ?
2. Define Marginal Utility.
3. Define decision-making.
4. What do you mean by National Income ?
5. What do you mean by Marginal Revenue ?
6. Define Economic Planning.

**(6 × 1 = 6 weightage)**

**Section B**

*Answer any four questions.*

*Each question carries 3 weightage.*

7. What are the responsibilities of managerial economist ?
8. What do you mean by production function ?
9. Why demand curve slopes downwards ?
10. What is Delphi Method ?
11. What are the factors determining income elasticity ?
12. What do you mean by constant returns to scale ?

**(4 × 3 = 12 weightage)**

**Turn over**

**Section C**

*Answer any three questions.*

*Each question carries 4 weightage.*

13. Explain the need for measuring the national income.
14. Briefly explain the application of economics theories in Business decision ?
15. Explain the scope of Mahalanobis Model.
16. Explain the various effects of business cycle.
17. Why demand estimation is important ?

(3 × 4 = 12 weightage)

**Section D**

**Compulsory question.**

*6 weightage.*

18. LIO, a cell phone manufacturer established its business in Delhi, in 2006. Within a year, they were able to establish themselves in the domestic and national market for the indigenous product. During the fourth year of business they wanted to expand their market to the international level. They found they were not achieving the expected sales and the profit margin is low. Their financial consultant advocated 'economy of scale and financial engineering' operations. Presently several of their cell phones Lamda are now available in the go down.

The R and D wing of the company consisted of experts in the field. They had found a new chip, which had helped in manufacturing their recent innovative products Lamda cell phone. The researchers were sure their Lamda would sell like hot cakes since this was the only miniature phone in the market with the size 6 cm × 4.5 cm weighing just gms. The breakthrough was the new chip, which helped in bringing out this Lamda cell phone. Because of this chip they priced the product at 5 times the regular products. Unfortunately the sales target of the new innovative model was not up to the expectations. The customers lost their interest and the customer satisfaction was found low, as reported by the retailers.

Discuss :

1. What is the current status of the company ?
2. What are the changes required and why ?
3. What will be the strategic planning process that would you recommend in this juncture ?

(1 × 6 = 6 weightage)