EXAMINATION CELL IIHMR

IIHMR University, Jaipur
MBA (Pharmaceutical Management)

Final Examination
Managerial Economics

Duration: 3 Hours **Maximum Marks: 70**

Q1.	What is Managerial Economics? Describe the Basic Principles for Managerial Economics.	**10**
Q2.	What are the different types of market structures? Describe the characteristics of each market.	**10**
Q3.	Explain the concept of "Price Discrimination". Describe the "Block Pricing" and "Commodity Bundling" with respect to pharmaceutical industry examples.	**10**
Q4.	What do you mean by "demand"? Describe the concept of "Elasticity of Demand". Describe the Price Elasticity of Demand, Income Elasticity of Demand and Cross Elasticity of Demand with appropriate examples from Pharmaceutical Industry.	**15**
Q5.	A Pharma company has been producing for the past several years DVT Stockings which are sold in the market for Rs. 1000 per pair. The cost has been rising during the last few years. The management is considering the adequacy of the price. The following information is made available.	**25**

a) The labour rate increased from Rs. 20 per hour to Rs. 25 per hour
b) The cost of nylon has gone up from Rs.100 per meter to Rs. 200 per meter
c) The fixed cost have increased by 25% over the previous level of Rs. 2 lakhs
d) The variable overheads have increased by 30% or Rs. 50
e) Each stocking requires half meter of nylon and one hour of labour

Calculate:

a) The selling price that company should charge to break even at the same number of units as before cost rise
b) How many pairs of stockings be sold to earn profit of Rs. 3 lakhs.