IIHMR UNIVERSITY

School of Pharmaceutical Management

MBA Pharmaceutical Management

Batch-14th (2022-2024)

First Year, Term 2, End Term Examinations, February 2023

CC- 620 Managerial Economics

Time - 3 Hour	**Maximum Marks:50 (Pass Marks: 20)**

This question paper contains 1 printed page.

Note: Q1, Q2, and Q5 are compulsory. There is a choice between Q3 & Q4 and Q6 & Q7.

Q1. Write Short notes on **any ten** of the following in not more than 50 words. (1.5x10=15 marks)

(a). What is the problem of economics? Explain
(b). Cross Elasticity of Demand
(c). Demand Function and determinants of Demand
(d). Budget Line
(e). Relationship between marginal and average product curve
(f). Average Variable cost
(g). Difference between long run and short run
(h). Economies of scale
(i). Peak Load pricing
(j). Duopoly
(k). Penetration Pricing
(l). Freemium Pricing

Q2. Demand curve of a monopolist is $P = 110-4Q$, Marginal cost is 15, what is the profit maximizing output? (5 marks)

Q3. What is a monopolistic market? Explain price determination in a monopolistic market. (15 marks)

OR

Q4. A firm operating in a monopolistically competitive market is faced by the following demand and cost functions – $P = 350-Q$ and $TC= 355Q-2Q^2+0.05Q^3$. (15 marks)

(a) What is the equilibrium output and price for the firm?
(b) What is the economic profit earned by the firm?

Q5. Explain indifference curves and isoquants with the help of examples. (5 marks)

Q6. Fixed cost per unit - 10 , Variable Cost – 60% of sales , Break even point (units) – 10000
Find out profit if sales in unit are 20% above BEP. (10 marks)

OR

Q7. Define total cost, marginal cost and average cost. Derive marginal and average cost from the total cost curve graphically. (10 marks)