Enrolment No.: .....

IIHMR UNIVERSITY

School of Pharmaceutical Management

MBA Pharmaceutical Management
Batch-15th (2023-2025)
First Year, Term 2 End Term Examinations, January 2024

CC – 620 Managerial Economics

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

Instructions to students:

- **This question paper contains 1 printed page.**
- **Don't write anything on the Question Paper except writing your Enrolment No.**

Part A (Maximum Marks: 5)

Q1. State True or False for the following (1 mark each):

(a) Giffen goods are an example to the Law of Demand.
(b) It is possible to form a cartel in a Duopoly market.
(c) Indifference curves can also be linear for some commodities.
(d) Opportunity cost of milk is curd.
(e) Markets can never be perfect.

Part B (Maximum Marks: 15)

Q2. Write short notes on **any five** of the following **(word limit: 40 words):**

(a) Budget Line (3)
(b) Consumption Function (3)
(c) Demand Forecasting (3)
(d) Cost plus pricing (3)
(e) Price Skimming Strategy (3)
(f) Psychological Pricing (3)

Part C (Maximum Marks: 30)

Answer the following in detail. There is a choice between Q3 & Q4, Q5 & Q6 and Q7 & Q8.

Q3. Explain Law of Demand with the help of demand schedule. What are the exceptions to the law of demand? (10)
OR
Q4. Demand curve of a monopolist is P = 110-4Q, Marginal cost is 12, what is the profit maximizing output? (10)

Q5. How is Price and Output determined in Perfect Competition? Explain with the help of diagrams. (10)
OR
Q6. Molecular shoes company manufactures bicycles. The cost function estimated is TC = 80000-600Q+2Q^2 and the revenue function is TR = 400Q-Q^2. At what level of production will molecular shoes break-even? (10)

Q7. What is a production possibility line? What are returns to scale? Explain increasing, diminishing, and constant returns to scale? (10)
OR
Q8. Seema Bangles manufactures bangles for export. The Production function is TP = 15L^2 – L^3
At the highest possible AP_L, what is the labour employed. What is the AP_L at this level?
What is the MP_L when the AP_L is maximum? (10)