Enrolment No.: ....

IIHMR UNIVERSITY

School of Pharmaceutical Management

MBA Pharmaceutical Management Batch-16th (2024-2026)
First Year, Term 2 End Term Examinations, March 2025

EXAMINATION CELL IIHMR

CC – 620 Managerial Economics

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

Instructions to students:

- **This question paper contains 2 printed pages.**
- **Don't write anything on the Question Paper except writing your Enrollment No.**

Part A

(Maximum Marks: 5)

Q1. Choose the correct option of the following questions (1 mark each):

a) If a firm's revenues just cover all its opportunity costs, then:
A) Normal profit is zero.
B) Economic profit is zero.
C) Total revenues equal its explicit costs.
D) Total revenues equal its implicit costs.

b) Suppose a firm sells its product at a price lower than the opportunity cost of the inputs used to produce it. Which is true?
A) The firm will earn accounting and economic profits.
B) The firm will face accounting and economic losses.
C) The firm will face an accounting loss, but earn economic profits.
D) The firm may earn accounting profits, but will face economic losses.

c) Suppose that a firm produces 200,000 units a year and sells them all for Rs.10 each. The explicit costs of production are Rs.1,500,000 and the implicit costs of production are Rs. 300,000. The firm has an accounting profit of:
A) Accounting profit is Rs. 500,000 and an economic profit is Rs. 200,000.
B) Accounting profit is Rs. 400,000 and an economic profit is Rs. 200,000.
C) Accounting profit is Rs. 300,000 and an economic profit is Rs. 400,000.
D) Accounting profit is Rs. 200,000 and an economic profit isRs. 500,000.

d) Sustainable Development Goals (SDGs) oriented economic development can be termed as
A) Capitalist economy
B) Neo classical economy
C) Dependency economy
D) Neoliberal capitalistic economy.

e) The law of diminishing returns states that:
A) increasing one factor of production while keeping other factors constant will eventually lead to a decrease in output.
B) As a firm uses more of a variable resource, given the quantity of fixed resources, marginal product of the firm will eventually decrease.
C) In the short run, the average total costs of the firm will eventually diminish.
D) In the long run, the average total costs of the firm will eventually diminish.

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Part B

(Maximum Marks: 15)

Answer any three of the following questions (5 marks each):

Q2. Compare monopoly and monopolistic market

Q3. Differentiate between Demand and Supply curve

Q4. Differentiate between GDP and National Income

Q5. Compare Classical and Neo-classical theories of economics

Q6. EURO vis a vis BRICS currency conumdrum

Part C

(Maximum Marks: 30)

Answer any two of the following questions in detail (15 marks each):

Q7. Elucidate the economic reform in India and major reforms that are taken place during 1991-2024 and their impact on common Indian

Q8. In the context of consumer behavior, discuss the interplay of the price, income, and substitution effects when a popular, relatively affordable smartphone suddenly becomes significantly cheaper due to a promotional sale. Evaluate the overall effect of this price change on consumer demand and the broader smartphone market. Consider the practical implications for businesses in the technology industry.

Q9. What is de-dollarization? Why is it happening? How would de-dollarization impact Indian economy?

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