

**R.N.G.PATEL INSTITUTE OF TECHNOLOGY-RNGPIT**  
(An Autonomous Institute U/s UGC Act 1956)

**Online MBA SEMESTER-I, SEMESTER END EXAMINATION – WINTER 2025**

**SUBJECT CODE: 1MBDL102**

**DATE: 06-01-2026**

**SUBJECT NAME: ECONOMICS FOR MANAGER**

**TIME: 09:00 AM to 11:30 PM**

**TOTAL MARKS: 50**

**Instructions**

1. It is **compulsory** for students to write **Enrolment No. /Seat No.** on the question paper.
2. Write answers of **Section A** and **Section B** in **separate answer books**.
3. Attempt all questions from both **Section A** and **Section B**.
4. Each section carries **25 marks**, with a total of **50 marks** for the examination.
5. The figures to the right of each question indicate full marks, make suitable assumptions with justification.
6. BL - Bloom's Taxonomy Levels (R-Remember, U-Understanding, A –Application, N –Analyze, E – Evaluate, C -Create), CO - Course Outcomes.

**SECTION A**

**Marks BL CO**

**Q.1 Multiple-Choice Questions**

**[05]**

(a) Managerial Economics is often referred to as:

**1 R 1**

(i) Microeconomics

(ii) Applied Economics

(iii) Business Economics

(iv) Financial Economics

(b) Managerial Economics combines economic theory with:

**1 R 1**

(i) Personal finance decisions

(ii) Managerial practice

(iii) Government policies

(iv) Political theory

(c) Which of the following is a tool used in production and cost analysis?

**1 U 1**

(i) Cost-benefit analysis

(ii) Supply-demand curves

(iii) Economies of scale

(iv) Risk-return analysis

(d) What is the law of demand?

**1 U 2**

(i) As price increases, quantity demanded decreases

(ii) As price decreases, quantity demanded decreases

(iii) As price decreases, quantity demanded increases

(iv) As price increases, quantity demanded remains the same

(e) Which of the following is an example of a good with unitary elastic demand? **1 R 2**

(i) Luxury cars

(ii) Medicine

(iii) Groceries

(iv) Air travel

**Q.2 Attempt Any Two**

**[10]**

(a) Define Managerial Economics and explain its importance in business decision-making. **5 R 1**

(b) What is meant by the term “Applied Economics”? Give two business examples. **5 U 1**

(c) Cost Minimization at Toyota: -Toyota applies the concept of “Lean Manufacturing” to reduce production waste and cost. Which scope area of Managerial Economics does this example represent? How does cost analysis help in decision-making? **5 A 1**

**Q.3 Attempt Any Two**

**[10]**

(a) Identify and explain the determinants of demand with suitable real-life examples. **5 U 2**

(b) Explain the types of price elasticity of demand with relevant examples from the business world. **5 R 2**

(c) Case : Tea vs Coffee **5 A 2**

When coffee prices increase, sales of tea rise.

a) What type of cross elasticity does this represent?

b) Give another example of such goods.

## SECTION B

Marks BL CO

### Q.4 Multiple-Choice Questions

[05]

- (a) The point at which Marginal Product (MP) is maximum typically corresponds to which stage of production? 1 U 3
- (i) Stage I (ii) Stage II
- (iii) Stage III (iv) The entire production cycle
- (b) Diminishing Marginal Returns occur because: 1 R 3
- (i) All inputs are increased proportionately (ii) Capital becomes more productive
- (iii) One input is fixed while others increase (iv) Technology improves
- (c) A perfectly competitive firm is a price taker because: 1 U 4
- (i) It produces a differentiated product (ii) It has market power
- (iii) Each firm's output is small relative to the market (iv) The government regulates prices
- (d) Which market structure features a single seller with no close substitutes? 1 R 4
- (i) Monopoly (ii) Perfect competition
- (iii) Oligopoly (iv) Monopolistic competition
- (e) If Total Cost (TC) = ₹500 + 10Q + Q<sup>2</sup>, the Marginal Cost (MC) is: 1 A 3
- (i) 10Q (ii) 500
- (iii) Q<sup>2</sup> (iv) 10 + 2Q

### Q.5 Attempt Any Two

[10]

- (a) Explain the concept of Total Product (TP), Average Product (AP), and Marginal Product (MP) with a suitable example. 5 U 3
- (b) Differentiate between short-run costs and long-run costs. 5 U 3
- (c) ABC company produces 3000 units of wall clock in a month, company pays fixed cost as below Rent: 30000 Rs, Salary: 20000 Rs and office Exp. Of 15000 Rs, the variable cost are 3Rs per unit as electricity, 05 Rs per unit as labour charges and 100 Rs as raw material calculate TFC, TVC, TAC and Total cost. 5 A 3

### Q.6 Attempt Any Two

[10]

- (a) Explain the key features of a Perfectly Competitive Market. 5 R 4

- (b) Describe how a firm determines profit in the short run under perfect competition. **5 U 4**
- (c) Explain the concept of Monopolistic Competition and discuss why firms in this market structure engage in product differentiation. **5 A 4**

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