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Course Code

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First Semester MBA Degree Examinations, April 2025
ECONOMICS FOR DECISION MAKING

Duration: 3 hrs

Max. Marks: 100

Note: 1. Answer any **FOUR** full questions from Question No. 1 to 7.
 2. Question No. 8 is compulsory
 3. Missing data, if any, may be suitably assumed

<u>Q. No</u>	<u>Question</u>	<u>Marks</u>	<u>(RBTL:CO:PO)</u>
1	a. Define managerial economics. State its significance in business.	03	(1:1:1)
	b. Discuss the uses of managerial economics in business decisions.	07	(1:1:1)
	c. Explain any two managerial theories with example.	10	(1:1:1)
2.	a. Give the meaning of demand forecasting and state its importance.	03	(2:2:2)
	b. Explain law of demand in detail with suitable example.	07	(2:2:2)
	c. Discuss the importance of elasticity of demand in managerial decision making.	10	(2:2:2)
3.	a. Give the meaning fixed cost. How it will impact on total cost?	03	(3:3:3)
	b. Explain the economies and diseconomies of scale.	07	(3:3:3)
	c. Explain about envelope of long –run cost curve and why it is U- Shaped?	10	(3:3:3)
4.	a. Define loss leader pricing and peak load pricing.	03	(4:4:4)
	b. Evaluate Break-Even Point in units and in Sales. When fixed cost is Rs. 9,000 Selling Price Rs. 5 per unit, Variable cost Rs. 3 per unit Suppose the selling Price reduces to Rs. 2 per unit	07	(3:3:3)
	c. Explain in detail determination of price under perfect competition.	10	(4:4:4)
5	a. Illustrate the significance of business environment.	03	(5:5:5)
	b. Explain PEST analysis of present business environment.	07	(5:5:5)
	c. Explain in detail role of SMEs in economic development.	10	(5:5:5)
6.	a. What was the main motive of PLI?	03	(5:5:5)
	b. Explain a broad sweep on Atma Nirbhar Bharath Abhiyan.	07	(5:5:5)
	c. Explain in detail Industrial Policy 1991.	10	(4:4:4)
7.	a. Plot a neat diagram of Kinked demand curve.	03	(5:5:5)
	b. Contrast between fiscal policy and monetary policy.	07	(5:5:5)
	c. Explain the roles and responsibilities of managerial economist.	10	(1:1:1)

Case Study

"TechSpark," a cutting-edge start-up born from the innovative minds of recent university graduates, aims to revolutionize education through AI-powered personalized learning tools. Having secured a substantial seed funding round, the company experienced explosive growth, rapidly expanding its workforce and product line. Initially, the founders prioritized product development and technological advancement, leading to remarkable breakthroughs in AI algorithms tailored for educational content.

However, the company's rapid expansion has unveiled significant internal challenges. Communication channels have become fragmented, with departments like AI development, content creation, and marketing operating independently. This has resulted in duplicated research efforts, inconsistent messaging, and missed product launch deadlines. Furthermore, the lack of structured communication is creating confusion and frustration among employees.

Beyond communication issues, TechSpark is grappling with talent retention. Despite offering a dynamic and innovative work environment, the company lacks a clearly defined career progression path, leaving many employees uncertain about their long-term prospects. This is compounded by a benefits package that, while initially competitive, has fallen behind industry standards as larger tech companies attract talent with more comprehensive offerings. Consequently, TechSpark is losing valuable engineers, data scientists, and content creators to competitors, hindering its ability to maintain its innovative edge.

Adding to those factors, the founders while being extremely skilled in the technological side of the company, lack experience in proper business structure, and human resources. Resulting in, a company-wide feeling of miss management. The once exiting fast paced environment, has now turned into a stressful place to work.

The founders, now realizing their shortcomings, are looking for advice on how to keep their dream alive.

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| a. | Identify and explain two key problems TechSpark is facing, and discuss their potential impact on the company's long-term success? | 10 | (5:5:5) |
| b. | Suggest two actionable strategies TechSpark could implement to address these problems, and explain how these strategies could improve the company's performance? | 10 | (5:5:5) |

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