

Code No: 741AB

**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD****MBA I Semester Examinations, April/May-2019****BUSINESS ECONOMICS****Time: 3hours****Max.Marks:75****Note:** This question paper contains two parts A and B.

Part A is compulsory which carries 25 marks. Answer all questions in Part A. Part B consists of 5 Units. Answer any one full question from each unit. Each question carries 10 marks and may have a, b, c as sub questions.

**PART - A****5 × 5 Marks = 25**

- 1.a) Outline the basic economic concepts and its relevance in decision making. [5]
- b) Analyze the major determinants of supply of Maruti Suzuki Cars in India. [5]
- c) Explain the optimal input combination with Isoquant and Isocost lines. [5]
- d) Explain the effect in fixed and variable cost on BEP and show with help of graph. [5]
- e) Outline the effect of demonetization on import and export trend in India. [5]

**PART - B****5 × 10 Marks = 50**

2. Outline and evaluate the nature and scope of business economics in decision making. [10]

**OR**

3. Describe the role of managerial economist in a firm. Explain why managerial economist need to work with other executives of the firm like financial controller, human resource manager, production manager etc. [10]
4. Construct a model for estimating the demand function for a health drink like Horlicks (include all the relevant variables that affect the demand for Horlicks). Describe those relevant variables and its relationship with demand for Horlicks with suitable diagrams. [10]

**OR**

5. Consider the Indian telecom sector. The demand for mobile phone has been growing consistently at 20% rates compared to that of other electronic gadgets industry growth of 7% during the last 10 years from 2008 and is expected to grow equally fast in the coming years too. If so, why should a firm (Jio) providing telephone services need to forecast its demand? Which method of forecasting would you suggest why? [10]
6. Evaluate the types of economies of scale. [10]

**OR**

7. Estimate average product and marginal product from the following data and draw the graph for total product (TP), average (AP) and marginal product (MP). From the graph, identify and analyse the relationship between TP, AP and MP. [10]

Labour Input	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
TP	0	7	26	54	88	125	162	196	224	243	250	242	216	169	98

- 8.a) Compare the perfect and monopoly market structure.  
b) Apply and explain in detail the price discrimination to Indian Railways. [4+6]

**OR**

9. Critically examine the price-output determination under monopolistic competition. [10]
10. Assume that during the financial years between 2016 and 2018, Indian Automobile industry has been facing recession. Discuss the effectiveness of two fiscal policy to control the recession. [10]

**OR**

11. Evaluate the trends in Foreign Direct Investment in India and analyze the critical factors to attract the Foreign Direct Investment for a State in India. [10]

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