MBACC 102

M.B.A. Ist Semester (NEP) Examination, 2026

MOST IMPORTANT QUESTIONS 2026 – UNSOLVED MODEL PAPER

MANAGERIAL ECONOMICS

Paper : II

Time : 3 Hours **[M.M. : 70**

Note : Answer any **five** questions. All questions carry equal marks.

1. Discuss the determinants of demand for a product. How do you write a generalised demand function? Explain the signs and meaning of the coefficients of all the variables. How do marginal analysis and optimisation help managers? **[14]**

2. (a) Explain the types of elasticity of demand and their use in pricing decisions. (b) The demand for a product falls from 1,000 units to 800 units when its price rises from ₹20 to ₹25. Calculate the price elasticity of demand by the percentage method and the arc method. **[7+7=14]**

3. What is demand forecasting? Explain the survey and statistical methods of forecasting. How is AI changing demand forecasting? **[14]**

4. (a) Explain the law of variable proportions and the laws of returns to scale. (b) How do we decide the optimal combination of inputs in a production function? Given Q = 10K^0.4 L^0.6, find the marginal productivity of capital and labour, and determine the effect on output of an additional unit of capital and of labour at K = 10, L = 18. **[7+7=14]**

5. Explain the short-run and long-run cost curves. Why is the long-run average cost curve called an envelope curve? **[14]**

6. 'Profit maximisation is not the only objective of the firm.' Discuss with reference to Baumol's sales maximisation model, Marris' model of the managerial enterprise, stakeholder objectives and the behavioural theory of the firm. **[14]**

7. Explain asymmetric information, adverse selection and moral hazard. How do signalling and screening solve these problems? Explain the principal-agent problem. **[14]**

8. What is monopoly power? How do we measure it (Lerner index)? How does a monopoly firm set its price and quantity in the short run and long run? When is price discrimination profitable? **[14]**

9. (a) What is meant by dominant strategy and Nash equilibrium? Discuss with examples. (b) Discuss the following models of oligopoly: (i) Bertrand model (ii) Leader-follower (Stackelberg) model. **[7+7=14]**

10. Write short notes on any two: (a) GDP vs GVA (b) Demand-pull vs cost-push inflation (c) Externalities and carbon pricing (d) Instruments of monetary policy **[7+7=14]**

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