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| **Semester:**  **Maximum Marks: 50 marks Examination: Supplementary Examination Date:04/08/2024 Duration: 2.5 hrs** | | |
| **Programme code:**  **Programme:** | **Class: MBA WE, Batch -1** | **Semester: 1** |
| **College:**  **K. J. Somaiya Institute of Management** | **Name of the department/Section/Center: Eco** | |
| **Course Code: 117P18C105** | **Name of the Course: Managerial Economics** | |
| **Instructions: Attempt any 5 questions.** | | |

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| **Question No.** |  | **Max.**  **Marks** |
| 1 | a) Is the price elasticity of supply usually larger in the short run or in the long run? Why?  b) Suppose that business travelers and vacationers have the following demand for airline tickets from New York to Boston:   |  |  |  | | --- | --- | --- | | Price | Qty Demanded for business travelers | Qty Demanded for vacationers | | $150 | 2,100 | 1,000 | | $200 | 2,000 | 800 | | $250 | 1,900 | 600 | | $300 | 1,800 | 400 |  1. As the price of tickets rises from $200 to $250, what is the price elasticity of demand for a) business travelers and b) vacationers? 2. Why might vacationers have a different elasticity from business travelers? | 10 |
| 2 | |  |  |  |  | | --- | --- | --- | --- | | **Quantity of Variable Input (L)** | **Total Output** | **Marginal Product (L)** | **Average Product** | | 0 | 0 | — | — | | 1 | 225 |  |  | | 2 |  |  | 300 | | 3 |  | 300 |  | | 4 | 1140 |  |  | | 5 |  | 225 |  | | 6 |  |  | 225 |   Calculate Total Output, Average Output and Marginal Output for the information given in the following table. Explain the diminishing marginal product. | 10 |
| 3 | Compare the oligopoly structure of the markets with monopoly and the perfectly competitive firms. (Use suitable example whenever necessary) | 10 |
| 4 | What are the reasons for the existence of the monopoly? Explain the types of monopoly. | 10 |
| 5 | Explain the characteristics of monopolistic competition. “In the long run firms under monopolistic competition earns normal profit”, explain with suitable examples. | 10 |
| 6 | Write a Short note on any two   1. Economies and Diseconomies of Scale 2. Laws of Returns to Scale 3. Role of Advertising in a monopolistic competition 4. Discuss the characteristics of a competitive market | 10 |