

<b>Semester:</b>		
<b>Maximum Marks: 50 marks</b>	<b>Examination: ESE Examination</b>	<b>Date:28/05/2024</b>
<b>Duration: 3 hrs</b>		
<b>Programme code:</b>	<b>Class: MBA</b>	<b>Semester: 1</b>
<b>Programme:</b>	<b>WE, Batch -1</b>	
<b>College: K. J. Somaiya Institute of Management</b>	<b>Name of the department/Section/Center: Eco</b>	
<b>Course Code: 117P18C105</b>	<b>Name of the Course: Managerial Economics</b>	
<b>Instructions: Q. no 1 is compulsory.</b>		
<b>Attempt any 4 questions from the remaining questions.</b>		

<b>Question No.</b>		<b>Max. Marks</b>
1	<p>OTT platform sector is emerging very fast in India. There are around 300 active users of this sector. Higher penetration of internet, ease of watching the shows on mobile handset, user convenience can be some of the reasons for its rising popularity. There are around 15 to 20 well-known OTT platforms at present. Few of them are NETFLIX, Amazon Prime Video, MX Player, Sony LIV, Voot, ZEE5, Hotstar, etc. Their services differ in terms of subscription prices, types of content, as well as ease of use.</p> <ol style="list-style-type: none"> <li>What can be the determinants of demand for the entertainment available on OTT platform?</li> <li>What is the type of market structure of OTT platforms?</li> <li>What type of price and non-price competition you can observe in this sector?</li> <li>What can be the entry barriers for newcomers?</li> </ol>	10
2	“The firm operating in a perfectly competitive market cannot earn economic profit in the long run”. Do you agree with the statement? Explain.	10
3	What are the reasons for monopoly? Explain the entry barrier in a monopoly market.	10
4	What are the unique features of oligopoly market? Why do you think firms operating in oligopoly market are dependent on each other? Explain your answer with the help of an example.	10
5	<ol style="list-style-type: none"> <li>What is the difference between Sunk cost and Incremental cost? Which cost is more relevant for decision-making? Explain.</li> <li>What is the difference between economies of scale and diseconomies of scale?</li> </ol>	5 5
6	<ol style="list-style-type: none"> <li>If the demand curve for product X is given as <math>Q = 2000 - 20P</math>,               <ol style="list-style-type: none"> <li>How many units will be sold at \$10?</li> <li>What will be the total revenue at price \$70?</li> <li>What will be the point elasticity at \$10 and \$70?</li> <li>At what price, the elasticity is higher?</li> </ol> </li> </ol>	10

	<p>b) The ABC company sells ballpens at Rs. 9 each. Variable unit cost is Rs. 6. The fixed cost is Rs. 15,000.</p> <p>a. What is the breakeven quantity and breakeven revenue?</p> <p>b. How many units the company must sell if it wants to achieve a profit of Rs. 15,000?</p> <p>c. What should the company do if its AVC rises to Rs. 11 and price remains Rs. 9?</p>	
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