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Name.....

Reg. No.....

FIRST SEMESTER M.B.A. DEGREE EXAMINATION, JANUARY 2023

M.B.A. (CUCSS)

BUS 1C 06—MANAGERIAL ECONOMICS

Time : Three Hours

Maximum : 36 Weightage

Section A*Answer **all** the questions.**Each question carries 1 weightage.*

1. What is Managerial Economics ?
2. What are the determinants of demand ?
3. What is supply curve ?
4. What is a free market ?
5. Define National Income.
6. What is Marginal Rate of Technical Substitution.

(6 × 1 = 6 weightage)

Section B*Answer any **four** questions.**Each question carries 3 weightage.*

7. What is the law of diminishing marginal utility ? Give some examples of possible exceptions to the law of diminishing marginal utility.
8. Discuss the various determinants of demand.
9. Briefly explain law of production.
10. What is perfect competition ? What are the major characteristics of perfect competition?
11. What is the difference between GDP and GNP ?
12. The demand for a commodity at price of ₹ 3 is 3250 units and at ₹ 4 is 2000 units. Calculate the price elasticity of demand when the price increases from ₹ 3 to ₹ 4.

(4 × 3 = 12 weightage)

Turn over

Section C

*Answer any **three** questions.
Each question carries 4 weightage.*

13. Explain the Law of Equi-marginal utility and its application in Managerial Economics.
14. Explain the downward sloping shape of demand curve. Is there exceptions to this ? Discuss.
15. Briefly explain the different techniques used to measure National Income.
16. Compare Kaldor's Growth Model with Mahalanobis Model.
17. A following table gives the output in a firm for various levels of labour.

No. of workers	:	1	2	3	4	5	6	7	8	9	10
Total Product	:	6	16	29	44	55	60	62	62	61	59

Calculate the marginal product, average product and production elasticity.

(3 × 4 = 12 weightage)

Section D

*Answer the following.
Compulsory question which carries 6 weightage.*

18. Based on the general features and facilities offered, the Ministry of tourism, Government of India classifies hotels into 7 categories : five -star deluxe, five-Star, four-Star, three-star, two-star, one-star and heritage hotels. Apart from these there are hotels in unorganised sector that have significant presence across the country and cater primarily to economy tourist. Prior to the pandemic that is being experienced since 2020, encouraged by the boom in tourism and increased spending on leisure, there had been an influx of globally renowned groups by way of joint ventures.

The premium and Luxury segment (high-end 5-star deluxe and 5-star hotels) mainly cater to the business and up market foreign leisure travellers and offer a high quality and wide range of services. These constitute about 30 percent of the hospitality industry in India. The Mid-Market Segment (3 and 4 star hotels) offers most of the essential services of luxury hotels without the high costs, since the tax component of this segment are lower compared with the premium segment. The Budget Segment comprises 1 and 2 star hotels which provide inexpensive accommodation to the highly price-conscious segment of travellers, Heritage Hotels are architecturally distinctive properties such as palaces and forts, built prior to 1950, that have been converted into hotels.

In the face of stiff competition, hotels in India have come up with ingenious ways to attract customers. These hotels distinguish themselves with beds bathroom, amenities and complementary breakfast; other facilities may include innovations in food and beverage products, spa, fitness centre or other lifestyle facilities. The ongoing revolution in cuisine has been accompanied by innovations such as free standing and niche restaurants.

Case questions :

- 1 Explain the market structure of hotel industry in India. What features of the industry are suggestive of the same.
- 2 Comment on differentiation offered by hotels in India.
- 3 What do you feel will be the changes in structure post covid-19.

(1 × 6 = 6 weightage)