PRESIDENCY UNIVERSITY

BENGALURU

End - Term Examinations – December 2025

Date: 24- 12-2025　　　　　　　　　　　　　　　**Time:** 09:30am – 12:30pm

School: SOC / SOM (UG)	**Program:** BBA, BBD, BBB, BAV
Course Code :CBS1001	**Course Name:** Managerial Economics
Semester: I	**Max Marks**:100　　　　**Weightage**:50%

CO - Levels	CO1	CO2	CO3	CO4	CO5
Marks	**28**	**28**	**26**	**18**	**-**

Instructions:

    (i)　Read all questions carefully and answer accordingly.
    (ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2marks.　　　　**10Q x 2M=20M**

1.	Define demand curve.	**2 Marks**	L1	**CO1**
2.	Give 2 examples for supplementary good.	**2 Marks**	L1	**CO1**
3.	Define opportunity cost.	**2 Marks**	L1	**CO1**
4.	Define input and output.	**2 Marks**	L1	**CO2**
5.	Expand Tc, Ac and Mc.	**2 Marks**	L1	**CO2**
6.	List out the input which get variable in short run and long run production function.	**2 Marks**	L2	**CO2**
7.	List any 2 features of market.	**2 Marks**	L2	**CO3**
8.	Define a price taker?	**2 Marks**	L1	**CO3**
9.	State any two difference between Micro and Macro Economics.	**2 Marks**	L1	**CO4**
10.	State any two key issues of Macro economics.	**2 Marks**	L2	**CO4**

Part B

Answer ALL the Questions. Each question carries 7 marks.   **5Q x 7M = 35M**

11.	A production manager must forecast demand and decide on pricing for the next quarter. Explain the role and relevance of the managerial economist in supporting such decisions.	07 Marks	L2	CO1
	Or			
12.	A company's demand function is Qd=500−25P and supply function is Qs =50+25P. (a) Find the equilibrium price and quantity. (b) Explain what happens if the government fixes a price below equilibrium.	07 Marks	L2	CO1

13.	Explain three stages of production with a numerical TP schedule and compute AP and MP.	07 Marks	L3	CO2
	Or			
14.	A factory's cost details are given as follows: 	Output(Q)	TFC	TVC
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1	100	0
1	100	50
2	100	90
3	100	120
4	100	150
5	100	190
6	100	240 | Prepare a cost schedule showing TC, AC, AVC, AFC and MC	07 Marks	L3	CO2

15.	Describe the features of perfect Competition.	07 Marks	L2	CO3
	Or			
16.	Distinguish between Monopolistic competition and Monopoly with examples.	07 Marks	L2	CO3

17.	Explain the circular flow of income(2 sectors).	07 Marks	L2	CO4
	Or			
18.	Discuss the major key concept of Macroeconomics.	07 Marks	L2	CO4

19.	Write a short note about central bank.	07 Marks	L3	CO4
	Or			
20.	Explain calculation types of National income	07 Marks	L3	CO4

Part C

Answer any three Questions. Each question carries 15marks   **3Q x 15M=45M**

21.	Define supply. Explain the various types of elasticity of supply.	**15 Marks**	**L3**	**CO1**

22.	A local store reduces the price of its product from ₹20 to ₹15, resulting in sales rising from 200 to 280 units. (a) Calculate price elasticity using proportionate method. (b) Interpret your result and explain how this helps in pricing strategy decisions.	**15 Marks**	**L3**	**CO1**

23.	**A firm provides the following cost schedule:**	**15 Marks**	**L3**	**CO2**

Output	Total Cost
0	300
10	350
20	420
30	510
40	640
50	820

Compute: AFC, AVC, AC, MC
Draw the Diagram showing cost curves

24.	Compare the features of different market structures – perfect competition, monopoly, monopolistic competition, and oligopoly – with real-world examples. Highlight differences in pricing and output decisions.	**15 Marks**	**L3**	**CO3**

25.	Explain Business Cycle and its phases with a suitable diagram.	**15 Marks**	**L3**	**CO4**