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PRESIDENCY UNIVERSITY

Presidency University Act, 2013 of the Karnataka Act No. 41 of 2013 | Established under Section 2(f) of UGC Act, 1956
Approved by AICTE, New Delhi | Approved By BCI
Bengaluru

Even Semester Mid Term, March 2026

Date: 11/03/2026

Time: 11:45 AM - 01:15 PM

Course Code: BBA1055	Course Name: Managerial Economics and Financial Accounting	
Semester: Fourth Semester	Max. Marks: 50	Weightage: 50%

CO - Levels	CO1	CO2
Marks	44	46

PART-A: Answer Following Questions. 10 M

Qn.No	Questions	M	CO	BT										
1	Define managerial economics.	2	CO1	BT2										
2	Prepare demand curve based on demand schedule. <table border="1" style="width: 100%; margin-top: 5px;"> <thead> <tr> <th>Price of X (₹)</th> <th>Weekly demand of X</th> </tr> </thead> <tbody> <tr> <td>10</td> <td>50</td> </tr> <tr> <td>15</td> <td>40</td> </tr> <tr> <td>20</td> <td>30</td> </tr> <tr> <td>30</td> <td>15</td> </tr> </tbody> </table>	Price of X (₹)	Weekly demand of X	10	50	15	40	20	30	30	15	2	CO1	BT3
Price of X (₹)	Weekly demand of X													
10	50													
15	40													
20	30													
30	15													
3	List any four factors of production.	2	CO2	BT2										
4	Classify the statement below as True or False: 'Fixed cost changes according to the level of output.'	2	CO2	BT2										
5	A company earns a contribution of ₹ 50,000 on sales of ₹ 2,50,000. Calculate PV Ratio.	2	CO2	BT3										

PART-B: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
6	Discuss the various applications of Managerial Economics in business decision-making.	10	CO1	BT2
7	Explain the concept of Law of Supply with the help of schedule	10	CO1	BT2

and curve.

PART-C: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT														
8	<p>Calculate the price elasticity of demand from the following information:</p> <p>1. Price increases from ₹ 2.00 per unit to ₹ 3.00 per unit</p> <p>2. Price increases from ₹ 5.00 per unit to ₹ 6.00 per unit</p> <table border="1"><thead><tr><th>Price of X commodity</th><th>Quantity demanded of X commodity</th></tr></thead><tbody><tr><td>6</td><td>750</td></tr><tr><td>5</td><td>1250</td></tr><tr><td>4</td><td>2000</td></tr><tr><td>3</td><td>3250</td></tr><tr><td>2</td><td>4650</td></tr><tr><td>1</td><td>8000</td></tr></tbody></table>	Price of X commodity	Quantity demanded of X commodity	6	750	5	1250	4	2000	3	3250	2	4650	1	8000	10	CO1	BT3
Price of X commodity	Quantity demanded of X commodity																	
6	750																	
5	1250																	
4	2000																	
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9	<p>Calculate the price elasticity of supply using the following supply schedule for Commodity Y, for the following price changes:</p> <p>(a) When price increases from ₹20 to ₹25</p> <p>(b) When price increases from ₹30 to ₹35</p> <table border="1"><thead><tr><th>Price (₹) for Commodity Y</th><th>Quantity Supplied for Commodity Y</th></tr></thead><tbody><tr><td>40</td><td>900</td></tr><tr><td>35</td><td>750</td></tr><tr><td>30</td><td>600</td></tr><tr><td>25</td><td>480</td></tr><tr><td>20</td><td>400</td></tr><tr><td>15</td><td>300</td></tr></tbody></table>	Price (₹) for Commodity Y	Quantity Supplied for Commodity Y	40	900	35	750	30	600	25	480	20	400	15	300	10	CO1	BT3
Price (₹) for Commodity Y	Quantity Supplied for Commodity Y																	
40	900																	
35	750																	
30	600																	
25	480																	
20	400																	
15	300																	

PART-D: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
10	Interpret the Law of Variable Proportion and its three stages using suitable schedule and graph.	10	CO2	BT2
11	Describe the meaning of an isoquant and outline its key characteristics using an appropriate graph	10	CO2	BT2

PART-E: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT																				
12	<p>Compute the value of Total cost and Marginal cost for the below given information, when Total fixed cost = 500.</p> <table border="1"><thead><tr><th>Output</th><th>Total Variable Cost</th></tr></thead><tbody><tr><td>1</td><td>300</td></tr><tr><td>2</td><td>520</td></tr><tr><td>3</td><td>690</td></tr><tr><td>4</td><td>840</td></tr><tr><td>5</td><td>1000</td></tr><tr><td>6</td><td>1200</td></tr><tr><td>7</td><td>1450</td></tr><tr><td>8</td><td>1750</td></tr><tr><td>9</td><td>2100</td></tr></tbody></table>	Output	Total Variable Cost	1	300	2	520	3	690	4	840	5	1000	6	1200	7	1450	8	1750	9	2100	10	CO2	BT3
Output	Total Variable Cost																							
1	300																							
2	520																							
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5	1000																							
6	1200																							
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13	<p>A firm sells its product at different prices for different levels of output.</p> <p>Compute Total revenue and marginal revenue from the following table shows the output and corresponding price per unit:</p> <table border="1"><thead><tr><th>Output (units)</th><th>Price per unit (₹)</th></tr></thead><tbody><tr><td>1</td><td>50</td></tr><tr><td>2</td><td>48</td></tr><tr><td>3</td><td>46</td></tr><tr><td>4</td><td>44</td></tr><tr><td>5</td><td>42</td></tr><tr><td>6</td><td>40</td></tr><tr><td>7</td><td>38</td></tr><tr><td>8</td><td>36</td></tr><tr><td>9</td><td>35</td></tr></tbody></table>	Output (units)	Price per unit (₹)	1	50	2	48	3	46	4	44	5	42	6	40	7	38	8	36	9	35	10	CO2	BT3
Output (units)	Price per unit (₹)																							
1	50																							
2	48																							
3	46																							
4	44																							
5	42																							
6	40																							
7	38																							
8	36																							
9	35																							