



PRESIDENCY UNIVERSITY

BENGALURU

Mid - Term Examinations – JAN-FEB 2025

Date: 06 – 02- 2025

Time: 10:00 am – 11:30 am

School: SOM	Program: MBA	
Course Code : MBA1022	Course Name : Economics for Managers	
Semester: I	Max Marks: 50	Weightage: 25%

CO - Levels	C01	C02	C03	C04	C05
Marks	29	21			

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 3marks.

5Q x 3M=15 Marks

1	Construct an imaginary individual demand schedule and a market demand schedule and state the relationship between price and quantity demanded.	3 Marks	L1	C01
2	Briefly explain the determinants of demand.	3 Marks	L1	C01
3	Define Arc method of price elasticity of demand.	3 Marks	L1	C01
4	Draw a PPC graph with an example to show the point where: All resources are fully utilised Some resources are underutilised Some resources are unattainable	3 Marks	L2	C02
5	Distinguish between micro and macro economics.	3 Marks	L2	C02

Part- B

Answer all the Questions

2Qx10M = 20 Marks

6.	Describe the various degrees of income elasticity.	10 Marks	L1	C01
Or				
7.	Explain the various types of Cross elasticity of demand with neat diagram.	10 Marks	L1	C01

8.	<p>A product is considered to be elastic if the quantity demand of the product changes more than proportionally when its price increases or decreases. In this context, solve the following:</p> <p>a. As the price of tomatoes increases from \$2.5 to \$3, the quantity demanded decreases from 2000 tons to 1800 tons. What is the price elasticity of demand for tomatoes? Is it elastic, inelastic, or unit elastic?</p> <p>b. Initial Income of the customer is Rs 40000, Income rises by 10 percent; demand decreases from 2000 tons to 1800 tons. Calculate the income elasticity of demand. Is it an inferior good or a normal good?</p>	10 Marks	L3	C01
Or				
9.	<p>a) The income of a person increases from Rs.400 to Rs.500 and quantity demanded increases from 25 to 40 units. Find the income elasticity and type of product.</p> <p>b) Suppose the price of a product decrease from Rs.100 to Rs.50 and quantity demanded increases from 30 to 60 units. Find the price elasticity using proportion method</p>	10 Marks	L3	C01

Part- C

Answer the following questions

1Qx15M=15Marks

10.	<p>Consider the following demand and supply functions for a commodity.</p> <p>$Q_d = 200 - P$, $Q_s = 120 + P$.</p> <p>a) Calculate the equilibrium price and quantity demanded and supplied.</p> <p>b) Find out a price at which there is excess demand.</p> <p>c) Find out a price at which there is excess supply.</p>	15 Marks	L3	C02
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***** BEST WISHES *****