

**R19**

**Code No: 761AB**

**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD**

**MBA I Semester Examinations, February/March - 2025**

**BUSINESS ECONOMICS**

**Time: 3 Hours**

**Max.Marks:75**

- Note:** i) Question paper consists of Part A, Part B.  
ii) Part A is compulsory, which carries 25 marks. In Part A, Answer all questions.  
iii) In Part B, Answer any one question from each unit. Each question carries 10 marks and may have a, b as sub questions.

**PART - A**

**(25 Marks)**

- 1.a) Describe the scope of business economics. [5]
- b) Illustrate the demand function with suitable example. [5]
- c) Discuss return to scale concept with an example. [5]
- d) Describe the features of monopoly. [5]
- e) Examine different pricing policies suitable for Indian firms. [5]

**PART - B**

**(50 Marks)**

- 2.a) Elaborate the practical applications of business economics.
- b) Describe the basic economic principles. [5+5]

**OR**

- 3.a) Illustrate the relationship of managerial economics with other disciplines.
- b) Illustrate the business decision making process with an example. [5+5]

4. A company sells a product at ₹50 per unit, and at this price, the quantity demanded is 1,000 units. When the price decreases to ₹40 per unit, the quantity demanded increases to 1,500 units. a) Calculate the price elasticity of demand; b) If the firm's total revenue was ₹50,000 before the price change, determine whether the revenue increased or decreased after the price change. [5+5]

**OR**

5. Describe the need for demand forecasting and explain the demand forecasting techniques for different scenarios. [10]

- 6.a) Describe the production cost at varied tenures of business decisions.
- b) Describe the concept of Isoquants and Isocosts. [5+5]

**OR**

7. A manufacturing company produces a single product and provides the following data for the financial year: Selling price per unit: ₹500; Variable cost per unit: ₹300; Total fixed costs: ₹4, 00,000. The company is considering an increase in the advertising budget by ₹50,000, which is expected to boost sales volume by 20%. Calculate:

- a) break-even point in units and in sales value
- b) Determine the new break-even point, if the advertising budget is increased. [5+5]

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8. Examine the features of perfect competition and how do you determine Price output under perfect competition? [10]

**OR**

9. Explain the different competitive situations and discuss the imperfect competitive structure of markets with examples. [10]

10. Analyze the significance of managerial theories and behavioral theories for managerial decisions. [10]

QA

11.a) Enumerate pricing strategies over product life cycle with examples.

b) Brief on the effects of dumping.

[6+4]

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