Question Paper Code	**13750**

MBA - DEGREE EXAMINATIONS, APRIL / MAY 2025

First Semester

Master of Business Administration

20MBT102 - ECONOMIC ANALYSIS FOR MANAGERS

Regulations **-** 2020

Duration: 3 Hours   Max. Marks: 100

PART - A (10 × 2 = 20 Marks)
Answer ALL Questions

		Marks	K-Level	CO
1.	Reproduce managerial economics in your own words.	2	K2	CO1
2.	Appraise opportunity cost.	2	K3	CO1
3.	Cite the law of diminishing marginal utility.	2	K1	CO2
4.	State the relationship between total utility and marginal utility by giving numerical example.	2	K1	CO2
5.	Give Indian examples for monopolistic competition and monopoly competition.	2	K2	CO3
6.	State objectives of price discrimination.	2	K1	CO3
7.	Assess role of major stake holders in two sector economy.	2	K2	CO4
8.	Articulate the relationship between aggregate demand and aggregate supply.	2	K3	CO4
9.	Estimate causes of inflation.	2	K2	CO5
10.	Paraphrase causes of unemployment.	2	K1	CO5

PART - B (5 × 13 = 65 Marks)
Answer ALL Questions

			Marks	K-Level	CO
11.	a)	Recommend suitable monetary and fiscal policies that can be adopted for economic stability in India. Explain.	13	K4	CO1

OR

	b)	Explain positive externalities and negative externalities for metro rail development in Chennai.	13	K4	CO1

| 12. | a) | Determine various determinants of demand with appropriate examples and also discuss exception to law of demand. | 13 | K2 | CO2 |

OR

	b)	Explain various production functions with numerical example and diagram wherever applicable.	13	K2	CO2

| 13. | a) | Discuss characteristics of perfect market and explain profit under different cases with appropriate diagram. | 13 | K2 | CO3 |

K1 – Remember; K2 – Understand; K3 – Apply; K4 – Analyze; K5 – Evaluate; K6 – Create   ***13750***

OR

b) Explain characteristics of monopoly market and explain profit under different cases with appropriate diagram. *13 K2 CO3*

14. a) Explain different macroeconomic aggregates and state it relationship with reference to Indian economy. *13 K3 CO4*

OR

b) Determine various determinants of national income and explain different methods of measuring national income with suitable illustrations. *13 K3 CO4*

15. a) Discuss the relationship between unemployment and inflation in India with examples. Suggest suitable policy measures to check inflation and employment. *13 K4 CO5*

OR

b) Examine the impact of unemployment on different stakeholders. *13 K4 CO5*

PART - C (1 × 15 = 15 Marks)
(Compulsory)

16. a) Year 2009 may have been a cruel year for much of the country with slow growth and double-digit food inflation, but India's High Net Worth Individuals (HNWIs)prospered — just over 120,000 in number, or 0.01% of the population, their combined worth is close to one-third of India's Gross National Income (GNI). *15 K5 CO4*

HNWIs, in this context, are defined as those having investable assets of $1 million or more, excluding primary residence, collectibles, consumables, and consumer durables. According to the 2009 Asia-Pacific Wealth Report, brought out by financial services firms Capgemini and Merrill Lynch Wealth Management, at the peak of the recession in 2008,India had 84,000 HNWIs with a combined net worth of $310 billion. To put that figure in perspective, it was just under a third of India's market capitalization, that is, the total value of all companies listed on the Bombay Stock Exchange — as of end-March 2008. The average worth of each HNWI was 16.6 crore.

To get a fix on just how rarefied a level it puts them in, we did some simple calculations that threw up stunning numbers. It would take an average urban Indian, 2,238 years, based on the monthly per capita expenditure estimates in the 2007-08 National Sample Survey, to achieve a net worth equal to that of the average HNWI. And that's assuming that this average urban Indian just accumulates all his income without consuming anything. A similar calculation shows that an average rural Indian would have to wait a fair bit longer — 3,814years.

According to the firms 2010 World Wealth Report, India now has 126,700 HNWIs, an increase of more than 50% over the 2008 number.

While the figure for combined net worth is not available, it seems safe to assume that as a class not only have India's super-rich recouped their 2008 losses, they have even made gains over their pre-crisis (2007) positions. In 2007, 123,000 HNWIs were worth a combined $437 million. Meanwhile, in 2009 alone, an estimated 13.6 million more people in India became poor or remained in poverty than would have been the case had the 2008 growth rates continued, according to the United million more people in India became poor or remained in poverty over 2008 and 2009 Notes than would have been poor had the pre-crisis (2004-07) growth rates been maintained over these two years.

The 2009 Asia-Pacific Wealth Report notes that the HNWI population in India is also expected to be more than three times its 2008 size by the year 2018, with emergent wealth playing a key role. Like China, relatively few among the current HNWI population (13%, compared to 22% in Japan) have inherited their wealth and even fewer (9%) are over the age of 66.

Questions:
- What does the case say about distribution of income in India?
- Recommend suitable ways to reduce the gap between the rich and poor.